NIAGARA REGION

Quarterly Financial Update

June 2013

Niagara Region

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Niagara Region

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On behalf of Niagara Region, we are pleased to provide you with this mid-year financial update.

Niagara is a culturally rich and historically significant region that offers its residents a mix of urban and rural living within 12 area municipalities. The Region boasts a diverse economy that includes manufacturing, tourism, agriculture and emerging sectors such as new media, green technology and bioscience.

Regional government operations are overseen by Niagara Regional Council which is composed of 30 elected representatives from 12 area municipalities and the Regional Chair. The current Regional Council was elected in October 2010 and the 31 members will serve a four year term to November 30, 2014.

On the financial front, the first half of the year brought some significant achievements towards strengthening Niagara Region's governance and financial sustainability. Standard & Poor's reiterated Niagara Region's AA (stable) debt rating and Council approved the appointment of an Integrity Commissioner. In addition, the Niagara Region has moved into the selection phase to acquire a new financial management information system that will continue to strengthen the financial control framework of the Niagara Region.

As of June 30, 2013 Niagara Region is forecasting a year end funding surplus of $3.8 million ($2.7 million deficit related to the levy programs and $6.5 million surplus related to rate programs). This surplus represents 0.5 per cent of Niagara Region's 2013 operating budget. This surplus is being generated mainly from reduced winter control costs, unexpended funds from the provision made for emergency water main repairs, higher investment income, and is offset partially by costs associated with the arbitrated settlement of a Niagara Regional Police Service collective agreement.

Affordability and sustainability are two key elements of Niagara Region's budget strategy. Achieving a balance between providing the programs and services residents have come to rely upon, ensuring they can afford to pay for them and ensuring that we have money to fund future infrastructure and program needs is critical. We would appreciate your feedback at www.niagararegion.ca.

We hope you will find the information provided in this report of interest and welcome any suggestions for its improvement going forward.

Debbie Elliott, Acting Commissioner of Corporate Services

Chris McQueen, Treasurer / Acting Director, Financial Management & Planning

Readers of this mid-year financial update are cautioned that actual operating results may vary from the forecast information presented. Certain assumptions and estimates are required to forecast results. The assumptions and estimates made have been done so with information available to management at the time of writing this mid-year financial update.

Consolidated Funding Surplus/(Deficit) Review

Description	Levy	Water & Wastewater	Waste Management	Total
Operating Funding Surplus/(Deficit)				
Regional Departments	$ 1,583,301	$ 3,865,632	$ 2,607,209	$ 8,056,142
General Government & Special/Joint Initiatives	618,087	-	-	618,087
Boards and Agencies	(4,888,669)	-	-	(4,888,669)
Operating Funding Surplus/(Deficit)	$ (2,687,281)	$ 3,865,632	$ 2,607,209	$ 3,785,560

Comments

The Niagara Region is forecasting an overall funding surplus in 2013. The sources of this forecasted funding surplus are summarized above. Levy supported Regional departments are forecasting a consolidated funding surplus of $1,583,301 which represents 0.4 per cent of the budgeted gross expenditures for departments. The forecast was derived using assumptions and estimates based on information available to management at the time of writing this quarterly financial update. Readers of this mid-year financial update are cautioned that actual results may vary from the forecast information presented.

It is also important to note that there are certain risks to the above forecast including:

- Unknown results of collective bargaining currently in progress. At the time of production of this booklet, the full impact of the Niagara Regional Police Service (NRPS) 2013 collective bargaining agreement ratified on August 15, 2013 had not been finalized.
- Legal liability could fluctuate at year end depending on claims status.
- Line of sight on supplemental taxes, payments-in-lieu, and assessment appeals are limited as all information for these items are not provided by the local area municipalities until year end. To this extent the forecast for these items remains at budget.

The overall levy supported funding deficit is mainly being driven by the arbitrated settlement awarded to the NRPS for the Niagara Regional Police Association's January 1, 2012 to December 31, 2012 Uniform and Civilian Collective Agreements. The terms of the award, the settlement of the Senior Officer agreement and the updating of the 2013 collective bargaining estimates are expected to have a $5.7 million impact on 2013 operating results. This does not include the full impact of the recent 2013 settlement.

The funding deficit will be addressed in accordance with the Council approved Surplus/Deficit Policy at year-end. It is recommended that the forecasted net levy deficit of $2,687,281 be funded partially from the Police Contingency and Police Services Board Contingency reserves, as NRPS is the primary driver of the deficit, and that any remaining deficit be funded from the Contingency reserve. Final allocation of the year end surplus/deficit is subject to approval by Council projected to occur in early 2014.

The Tax Write off Stabilization reserve will be re-evaluated at year end to determine whether it is still necessary, or if it should be repurposed.

It is recommended that the forecasted funding surplus of $3,865,632 for water and wastewater and $2,607,209 for waste management be incorporated into the long term capital financing plans for the water and wastewater and waste management programs.

Consolidated - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 346,441,916	$ 172,885,081	$ 172,185,717	$ 699,364	177,651,495	$ 349,837,212	$ (3,395,296)
Administrative Expenses	7,651,085	3,905,189	3,600,519	304,670	3,904,344	7,504,863	146,222
Materials, Supplies & Utilities	47,494,620	23,224,520	21,480,395	1,744,125	24,998,961	46,479,356	1,015,264
Repairs & Maintenance	18,902,535	9,363,182	8,771,402	591,780	9,543,627	18,315,029	587,506
Purch. Serv. & Other Operating Exp.	127,429,230	61,069,248	57,666,596	3,402,652	70,742,111	128,408,707	(979,477)
Social Assistance	98,641,329	49,320,534	45,421,743	3,898,791	48,449,488	93,871,231	4,770,098
Financial Expenditures	55,426,514	24,382,801	23,049,161	1,333,640	32,806,851	55,856,012	(429,498)
Capital Equipment & Renovations	1,934,510	988,936	1,025,765	(36,829)	1,489,644	2,515,409	(580,899)
Housing Provider Subsidy & Supplements	28,649,595	14,324,788	14,073,347	251,441	14,626,248	28,699,595	(50,000)
Transfers to Reserves	74,759,878	40,173,643	40,408,848	(235,205)	33,608,885	74,017,733	742,145
Allocations to Capital Program	(1,894,559)	(947,268)	(1,055,533)	108,265	(1,133,489)	(2,189,022)	294,463
Total Gross Expenditure	**805,436,653**	**398,690,654**	**386,627,960**	**12,062,694**	**416,688,165**	**803,316,125**	**2,120,528**
Revenue							
Taxation - Levy	(318,942,420)	(151,552,606)	(147,500,898)	(4,051,708)	(171,439,375)	(318,940,273)	(2,147)
Taxation - Rate	(142,618,218)	(71,309,028)	(69,781,608)	(1,527,420)	(72,761,066)	(142,542,674)	(75,544)
Ontario/Canada Grants	(238,849,003)	(118,280,983)	(118,002,606)	(278,377)	(119,659,817)	(237,662,423)	(1,186,580)
Fees & Service Charges	(38,180,575)	(19,095,489)	(18,318,312)	(777,177)	(20,053,101)	(38,371,413)	190,838
Other Revenue	(57,469,854)	(28,433,439)	(29,959,072)	1,525,633	(28,269,547)	(58,228,619)	758,765
Transfers from Reserves	(9,376,583)	(6,301,630)	(9,427,795)	3,126,165	(1,928,488)	(11,356,283)	1,979,700
Total Revenue	**(805,436,653)**	**(394,973,175)**	**(392,990,291)**	**(1,982,884)**	**(414,111,394)**	**(807,101,685)**	**1,665,032**
Net Expenditure/(Revenue)	**$ -**	**$ 3,717,479**	**$ (6,362,331)**	**$ 10,079,810**	**$ 2,576,771**	**$ (3,785,560)**	**$ 3,785,560**

Consolidated - Statement of Operations (continued)

Variance Analysis

The Region is forecasting a year-end funding surplus. The majority of this funding surplus is being generated by:

- Increased net investment income of $0.8 million, which includes a forecasted $1 million transfer to reserves for the interest allocation and a $0.4 million transfer from the investment income stabilization reserve.
- From the department side, Public Works Levy is forecasting a surplus of $1.2 million primarily due to expected savings in the transportation division as a result of favourable winter conditions experienced in early 2013. Public Health is projecting a surplus of $0.5 million primarily due to expected savings in personnel costs resulting from staff leaves. These surpluses are being offset by deficits in various departments (see commentary in the department pages of this booklet).
- Increased Waste Management Services surplus of $2.6 million primarily due to savings in purchased services and materials and the timing of Stewardship Ontario/Waste Diversion Organization Blue Box Funding received for 2013.
- Increased net Water and Wastewater Services surplus of $4 million primarily due to a combination of a milder/dryer winter (which has yielded lower than projected winter maintenance costs), unexpended funds from the provision made annually for emergency repairs to equipment and watermains and an unexpected downtime of both centrifuges.

The $3,395,286 unfavourable variance in Personnel Costs is mainly being driven by:

- The Niagara Regiona Police Service receiving the arbitrated award for the Niagara Region Police Association's January 1, 2012 to December 31, 2012 Uniform and Civilian Collective Agreements. The terms of the award, the settlement of the Senior Officer agreement and the updating of the 2013 collective bargaining estimates are expected to have a $5.7 million impact on the Service's 2013 operating results. This impact has been partially offset by $0.7 million in Uniform Salaries savings from vacancies and delays in hiring, as well as a $0.7 million refund received in July 2013 for Administrative Service Only benefits.
- The unfavourable variance is being offset by positive variances in other departments including $0.6 million from Water and Wastewater Services and $0.3 million each in Corporate Services and Public Health (see commentary in department pages of this booklet)

The positive variance in Social Assistance is a result of caseload mix being comprised of a large population of singles and therefore allowances and benefits are lower.

The favourable transfers from reserves of $1,979,700 is mainly being driven by:

- Transferring 2012 encumbrances of $2.9 million to be used by departments in 2013 per report CSD 23-2013
- A $0.6 million transfer from the Contingency Reserve to offset the forecasted industrial DC grants per report RDCPTF 14-2012
- Offset by a $1.2 million reduction in the draw from the Social Assistance reserve to reflect the need in the division as mentioned above

See pages 40 and 41 for a full reconciliation of reserve transfers outside of the 2013 Council approved budget

Corporate Administration - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 1,966,186	$ 990,712	$ 1,047,146	$ (56,434)	$ 986,564	$ 2,033,710	$ (67,524)
Administrative Expenses	187,186	94,508	115,303	(20,795)	75,833	191,136	(3,950)
Materials, Supplies & Utilities	31,350	15,654	17,333	(1,679)	18,167	35,500	(4,150)
Purch. Serv. & Other Operating Exp.	123,450	61,710	81,569	(19,859)	98,384	179,953	(56,503)
Capital Equipment & Renovations	1,750	864	701	163	1,049	1,750	-
Allocations Between Departments	7,411	3,708	3,943	(235)	3,703	7,646	(235)
Total Gross Expenditure	**2,317,333**	**1,167,156**	**1,265,995**	**(98,839)**	**1,183,700**	**2,449,695**	**(132,362)**
Revenue							
Other Revenue	(23,000)	(11,502)	(17,181)	5,679	(7,069)	(24,250)	1,250
Total Revenue	**(23,000)**	**(11,502)**	**(17,181)**	**5,679**	**(7,069)**	**(24,250)**	**1,250**
Net Expenditure/(Revenue) before Indirect Allocation	**2,294,333**	**1,155,654**	**1,248,814**	**(93,160)**	**1,176,631**	**2,425,445**	**(131,112)**
Indirect Allocation							
Indirect Allocation	234,515	117,282	139,442	(22,160)	125,789	265,231	(30,716)
Debt Allocation	124,540	47,614	52,006	(4,392)	76,926	128,932	(4,392)
Total Indirect Allocation	**359,055**	**164,896**	**191,448**	**(26,552)**	**202,715**	**394,163**	**(35,108)**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 2,653,388**	**$ 1,320,550**	**$ 1,440,262**	**$ (119,712)**	**$ 1,379,346**	**$ 2,819,608**	**$ (166,220)**

Corporate Administration - Statement of Operations (continued)

Community Impacts & Achievements

The Corporate Administration (Council, Offices of the Regional Chair and Chief Administrative Officer) budget is largely personnel cost driven. This team provides overall political leadership, governance, policy direction, management and administration of the Corporation.

Major Priorities / Initiatives include:

- Implementing Council's 2012-2015 Business Plan that aims to improve services and reduce costs; improve Niagara's economy, governance and community services
- Reviewing the Region's various programs and service delivery areas for continuous improvement. Driving improved effectiveness and greater efficiency including development of clear and meaningful performance measures
- Delivering effective government and stakeholder relations to leverage partnerships and secure provincial and federal government support for Niagara's needs and priorities

Major 2013 Deliverables include:

- Business Planning Sessions/Committees of the Whole, addressing; governance, the Housing and Homelessness Plan, development charges, the region-wide water and wastewater service review and the investigation and deliberation of an inter-municipal transit program
- Enabling of "Responsive Region Improvement Team" to continue, as well as support program reviews to enhance service to residents; find process improvements; and achieve measurable savings to Niagara taxpayers
- Delivered another successful "Niagara Week" government relations event in Queen's Park to educate the provincial government on the needs of Niagara and secure their support for our priorities
- Promotion and support of Niagara's Economic Development model that leverages related collective efforts in Niagara, improving business retention and expansion services and providing one window service to potential new businesses to Niagara
- Direction on a number of facilities related projects, integral to enhanced service delivery, including POA, Police and Council Chambers
- Support and scoping of enhanced processes and approaches including but not limited to new Financial Management System, Lakefront Enhancement Strategy, Niagara Age-Friendly and Niagara Region's Cultural Capital of Canada program

Variance Analysis / Vacancy Management

Due to the departure of the Director of Administration and the Chief Administrative Officer, additional payroll-related costs have been incurred. These costs include compensation related to the departures such as vacation entitlements and recruitment activities and consulting services for the new Chief Administrative Officer. While efforts are being made to mitigate this anticipated variance through reductions to other areas included within the 2013 allocation, it is anticipated that a negative variance will be forthcoming at year end.

Council attending conferences and conventions comprises a significant amount of expenditure.

Corporate Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 18,056,787	$ 9,340,973	$ 8,770,337	$ 570,636	$ 9,032,277	$ 17,802,614	$ 254,173
Administrative Expenses	458,298	246,973	196,525	50,448	245,116	441,641	16,657
Materials, Supplies & Utilities	2,078,155	1,034,960	851,667	183,293	983,561	1,835,228	242,927
Repairs & Maintenance	2,059,838	1,029,840	970,636	59,204	1,067,545	2,038,181	21,657
Purch. Serv. & Other Operating Exp.	7,223,852	3,609,257	3,974,883	(365,626)	4,307,647	8,282,530	(1,058,678)
Financial Expenditures	213,687	106,838	116,889	(10,051)	88,724	205,613	8,074
Capital Equipment & Renovations	21,610	12,478	26,496	(14,018)	26,900	53,396	(31,786)
Allocations Between Departments	(180,978)	(90,558)	(98,218)	7,660	(90,420)	(188,638)	7,660
Allocations to Capital Program	(127,500)	(63,750)	(124,027)	60,277	(216,183)	(340,210)	212,710
Total Gross Expenditure	**29,803,749**	**15,227,011**	**14,685,188**	**541,823**	**15,445,167**	**30,130,355**	**(326,606)**
Revenue							
Ontario/Canada Grants	(12,500)	(7,535)	(9,923)	2,388	(2,577)	(12,500)	-
Fees & Service Charges	(145,101)	(72,546)	(12,540)	(60,006)	(43,310)	(55,850)	(89,251)
Other Revenue	(563,766)	(281,844)	(354,148)	72,304	(107,543)	(461,691)	(102,075)
Transfers from Reserves	(2,496,477)	(1,465,730)	(1,560,417)	94,687	(1,143,060)	(2,703,477)	207,000
Total Revenue	**(3,217,844)**	**(1,827,655)**	**(1,937,028)**	**109,373**	**(1,296,490)**	**(3,233,518)**	**15,674**
Net Expenditure/(Revenue) before Indirect Allocation	**26,585,905**	**13,399,356**	**12,748,160**	**651,196**	**14,148,677**	**26,896,837**	**(310,932)**
Indirect Allocation							
Indirect Allocation	(26,585,905)	(13,399,356)	(12,748,160)	(651,196)	(14,148,677)	(26,896,837)	310,932
Total Indirect Allocation	**(26,585,905)**	**(13,399,356)**	**(12,748,160)**	**(651,196)**	**(14,148,677)**	**(26,896,837)**	**310,932**
Net Expenditure/(Revenue) after Indirect Allocation	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Corporate Services - Statement of Operations (continued)

Community Impacts & Achievements

There have been a number of significant projects and initiatives undertaken in Corporate Services in the first and second quarter of 2013. These include the following:

- Standard & Poor's credit rating (AA stable) maintained
- Continued support for Provincial Offences Act (POA) site selection, due diligence and costing phase
- Legal support for a number of files, including: Niagara Regional Police Service (NRPS) facilities, general procurement issues; successful defence of the Fort Erie speedway appeal; Water/Wastewater review; wind energy; POA site selection
- Employee engagement survey completed, reviewed and results rolled out to staff across the corporation
- Continued work on several NRPS projects – headquarters and 1 & 2 District
- Budget guidance approved at 2.7 per cent for 2014 – a levy impact of 2 per cent
- New financial management system – requirements scoping complete, request for proposal (RFP) consultants engaged, project director hired, RFP draft complete
- A number of additional RFP's released in the first half of 2013, including the caretaking of Regional properties, and the Region's insurance program
- In Q1 and Q2, IT Solutions started work on 82 separate projects and completed 58 projects for client groups across the corporation. Completed projects include: Human Resources (HR) self-service, Niagara Regional Housing third party provider management, IT needs for Deer Park Villa, Niagara Prosperity Initiative, ongoing work on the Protocol for Electronic Charting Systems (PECS) system and the contractor safety and insurance program
- Several compliance reviews completed – purchasing cards, electronic expense filing program and an Emergency Medical Services financial review
- Council chambers renovation designs completed in Q2, with tender close for early in Q3
- 10,622 IT service requests in Q1 (4,990) and Q2 (5,632), a 6 per cent increase over IT service requests in the first and second quarter of 2012
- Deer Park Villa construction essentially complete by the end of Q2, with official opening scheduled for Q3
- Four claims totaling $5M against the Niagara Region and NRPS successfully defended with no payouts; eight additional claims resolved with payouts equaling only 11 per cent of the original demand

Variance Analysis

Corporate Services has a year-to-date surplus of $651,196, and is currently forecasting a year-end deficit of $310,932. To date, favourable variances have occurred in Personnel Costs with gapping dollars resulting from a number of delays filling vacancies, ongoing temporary and acting positions across the department and corporate reorganizations. In addition, a favourable variance in Materials, Supplies and Utilities resulting from favourable weather conditions, conservation efforts and costs rising for electricity and natural gas rising at a lower than anticipated rate in the first half of 2013.

Unfavourable variances have occurred in Purchased Services as a result of the administration of various insurance costs, mainly the resolution of legal claims on behalf of areas of the corporation. This includes the costs related to external legal assistance to support some cases.

Vacancy Management

Favourable variances in personnel have occurred mainly in the HR and IT Solutions divisions. In the IT Solutions division, three postings for vacancies early in Q1 were filled late in Q1 and one further vacancy created, due to an employee exit in Q1, has yet to be filled. Additionally, an FTE approved in 2012 for IT disaster recovery support was delayed in posting and not filled until Q2.

Minor savings continue in the Financial Management division due to temporary acting positions. Similar savings reflect the acting position of the Commissioner of Corporate Services.

The HR division has a significant variance in personnel costs given the timing for posting and filling of an FTE approved in the 2012 budget (labour relations). Additional savings were created through the backfilling of positions to support the temporary posting of the Director to the Commissioner role. This has created acting postings (director, manager, supervisor, etc.), leading to a positive variance in personnel costs in the first half of 2013.

Integrated Community Planning Department (ICP) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 4,653,920	$ 2,339,674	$ 2,488,677	$ (149,003)	$ 2,491,602	$ 4,980,279	$ (326,359)
Administrative Expenses	187,590	104,544	254,431	(149,887)	179,907	434,338	(246,748)
Materials, Supplies & Utilities	282,985	141,420	170,910	(29,490)	136,156	307,066	(24,081)
Repairs & Maintenance	53,350	26,658	37,469	(10,811)	550	38,019	15,331
Purch. Serv. & Other Operating Exp.	1,734,574	870,956	815,775	55,181	1,650,055	2,465,830	(731,256)
Financial Expenditures	1,000,000	500,000	184,303	315,697	799,225	983,528	16,472
Capital Equipment & Renovations	15,265	7,602	7,805	(203)	12,328	20,133	(4,868)
Allocations Between Departments	(629,373)	(314,670)	(321,320)	6,650	(314,703)	(636,023)	6,650
Total Gross Expenditure	**7,298,311**	**3,676,184**	**3,638,050**	**38,134**	**4,955,120**	**8,593,170**	**(1,294,859)**
Revenue							
Ontario/Canada Grants	-	-	(468,127)	468,127	-	(468,127)	468,127
Fees & Service Charges	(81,000)	(40,494)	(10,608)	(29,886)	(125,583)	(136,191)	55,191
Other Revenue	(110,000)	(54,996)	(154,371)	99,375	-	(154,371)	44,371
Transfers from Reserves	(126,915)	(63,001)	(896,714)	833,713	(63,914)	(960,628)	833,713
Total Revenue	**(317,915)**	**(158,491)**	**(1,529,820)**	**1,371,329**	**(189,497)**	**(1,719,317)**	**1,401,402**
Net Expenditure/(Revenue) before Indirect Allocation	**6,980,396**	**3,517,693**	**2,108,230**	**1,409,463**	**4,765,623**	**6,873,853**	**106,543**
Indirect Allocation							
Indirect Allocation	(167,649)	(83,945)	(36,205)	(47,740)	(89,823)	(126,028)	(41,621)
Debt Allocation	632,814	219,719	210,663	9,056	413,095	623,758	9,056
Total Indirect Allocation	**465,165**	**135,774**	**174,458**	**(38,684)**	**323,272**	**497,730**	**(32,565)**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 7,445,561**	**$ 3,653,467**	**$ 2,282,688**	**$ 1,370,779**	**$ 5,088,895**	**$ 7,371,583**	**$ 73,978**

Integrated Community Planning Department (ICP) - Statement of Operations (continued)

Community Impacts & Achievements

Mission - Integrated Community Planning supports effective decision-making based on meaningful engagement, research, planning and focused actions to deliver responsible public policy, resulting in good governance for Niagara. The department supports Council and the Corporate Management Team, particularly related to long-term planning. Those long-term solutions for Niagara require alignment between department mandates on the interests of community stakeholders. Our mission reflects our role which is to support the achievement of Council Business Plan Themes:

- Responsive Region: continued implementation of the Regional Emergency Planning review, implement accessibility legislation
- Healthy Communities: initiate the next phase of the Human Services Plan with an emphasis on investing in prosperity, undertake a review and update of the Local Food Action plan
- Open for Business: Marketing the Gateway with Economic Development, Community Improvement Plan with area municipalities, approval of local official plans, improve economic prosperity in Niagara, Bi-National initiatives
- Integrated Transportation System: Update the Niagara Transportation Strategy and related policies in the Regional Policy Plan
- Environmental Responsibility: Niagara Water Strategy, Great Lakes Stewardship
- Public Engagement and Communications: support corporate-wide communications, build stronger brand awareness, advance internet communications

For more detail about the major directions and activities we do in Integrated Community Planning please see ICP 5-2013, 2013 Workplan February 5, 2013.

Niagara was recognized as the Cultural Capital of Canada with 2012 proving to be a very successful year for this initiative, with closing ceremonies in December.

Variance Analysis

Overall, ICP anticipates an end-of-year surplus of approximately $107,000 which is primarily due to additional Fees and Service Charges in the second part of the year related to pending planning applications and favourable Other Revenue for revenue received for the 2014 Federation of Canadian Municipalities conference. The balance of the object of expenditure variances relate to the timing of the completion of projects which began in 2012, including, but not limited to: Lakefront Enhancement Strategy, Employment Land Inventory, Non-Gateway Employment Lands, and the Cultural Capital of Canada initiatives. Some of these expenditures created a deficit in operating expenses such as administrative costs and purchasing services, but are off-set by the 2012 encumbrance (shown in the transfer from reserve) and the revenue received for the reimbursement of expenditures for the Cultural Capital of Canada (shown in Ontario/Canada Grants). ICP anticipates that all of these projects will be completed by the end of the year.

Vacancy Management

Variance in personnel costs is due to a combination of gapping dollars related to the vacancy of the Deputy Clerks position and Council approved contract project staff (e.g. Watersmart, Greater Niagara Circle Route) that are funded from one time sources.

Public Works Levy - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 17,431,638	$ 8,773,503	$ 8,364,123	$ 409,380	$ 8,700,695	$ 17,064,818	$ 366,820
Administrative Expenses	1,336,092	670,384	476,430	193,954	749,200	1,225,630	110,462
Materials, Supplies & Utilities	6,660,346	3,330,926	3,042,492	288,434	3,209,028	6,251,520	408,826
Repairs & Maintenance	323,500	161,706	123,588	38,118	107,004	230,592	92,908
Purch. Serv. & Other Operating Exp.	7,761,553	3,887,927	4,027,918	(139,991)	3,669,866	7,697,784	63,769
Financial Expenditures	500,000	249,996	316,506	(66,510)	416,506	733,012	(233,012)
Capital Equipment & Renovations	80,001	39,960	40,734	(774)	45,779	86,513	(6,512)
Transfers to Reserves	2,081,380	1,040,688	1,040,688	-	1,040,692	2,081,380	-
Allocations Between Departments	(1,753,595)	(876,876)	(864,031)	(12,845)	(876,719)	(1,740,750)	(12,845)
Allocations Within Departments	(1,118,032)	(558,996)	(538,097)	(20,899)	(594,506)	(1,132,603)	14,571
Allocations to Capital Program	(1,022,000)	(510,996)	(564,097)	53,101	(542,500)	(1,106,597)	84,597
Total Gross Expenditure	**32,280,883**	**16,208,222**	**15,466,254**	**741,968**	**15,925,044**	**31,391,298**	**889,585**
Revenue							
Ontario/Canada Grants	(546,203)	(273,096)	-	(273,096)	(546,203)	(546,203)	-
Fees & Service Charges	(3,114,600)	(1,557,228)	(941,111)	(616,117)	(2,036,243)	(2,977,354)	(137,246)
Other Revenue	(836,400)	(422,192)	(371,896)	(50,296)	(405,783)	(777,679)	(58,721)
Transfers from Reserves	(800,000)	(499,994)	(902,287)	402,293	(216,512)	(1,118,799)	318,799
Total Revenue	**(5,297,203)**	**(2,752,510)**	**(2,215,294)**	**(537,216)**	**(3,204,741)**	**(5,420,035)**	**122,832**
Net Expenditure/(Revenue) before Indirect Allocation	**26,983,680**	**13,455,712**	**13,250,960**	**204,752**	**12,720,304**	**25,971,264**	**1,012,417**
Indirect Allocation							
Indirect Allocation	3,120,098	1,599,000	1,442,731	156,269	1,568,311	3,011,042	109,056
Debt Allocation	19,249,287	4,114,897	4,080,729	34,168	15,134,390	19,215,119	34,168
Total Indirect Allocation	**22,369,385**	**5,713,897**	**5,523,460**	**190,437**	**16,702,701**	**22,226,161**	**143,224**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 49,353,065**	**$ 19,169,609**	**$ 18,774,420**	**$ 395,189**	**$ 29,423,005**	**$ 48,197,425**	**$ 1,155,641**

Public Works Levy - Statement of Operations (continued)

Community Impacts & Achievements

The Public Works Levy divisions include Development Services, Transportation Services and Public Works administration. Development Services approves and inspects 343 private systems annually and reviews 593 development planning applications (both 2012 figures), ensuring alignment with Provincial and Regional policies, plans and regulations. Transportation Services maintains over 750 km of roads, 183 bridges and culverts, 295 traffic signals and provides snow removal services on Regional roads. Transportation Services also provides oversight to Niagara Specialized Transit and the Regional Transit Pilot, maintains Regional vehicles and equipment, undertakes transportation studies and strategic planning initiatives and delivers the transportation-related capital program. Public Works administration provides operational, strategic and financial support services in support of all of the Departmental program areas, including the Rate-related water, wastewater and waste management programs.

Key Initiatives in support of the Council Business Plan that are included in the 2013 work plan for these divisions include:

- Lean Development Charge Collection Review
- New Hwy 406 interchange environmental assessment and provincial funding Initiative
- Planning function memo of understanding role and responsibilities review
- Transportation services operations service review
- The future of transit in Niagara
- Gateways and corridor strategy
- Pilot roll-out of development tracking system (i-Darts) to local area municipalities
- Asset management planning exercise

Variance Analysis

Projected at year-end is a favourable position before indirect allocations of $1,012,417, which is largely attributed to the Transportation division ($1,019,407) where favourable variances are expected in areas such as Materials, Supplies & Utilities and Personnel Costs. The difference ($6,990) relates to the Development Services division and the Regional Transit Pilot, which are anticipating only small unfavourable variances relative to the approved budget.

The favourable variance of $366,820, anticipated in Personnel Costs, includes vacancy management initiatives ($227,000), as well as projected net savings in overtime, standby pay and shift premiums. $408,826 in Material, Supplies & Utilities savings are also projected due to a favourable variance anticipated in fuel purchases ($96,500), as well as for a variety of other road maintenance supplies including winter salt, sand and organic de-icing material ($173,300), culvert material ($44,500), pavement marking material ($34,200) and signal maintenance material ($22,900). As several of these items are directly related to the weather, these cost projections will be subject to the environmental conditions experienced during the remainder of the year.

Included in the Financial Expenditure line is the implementation of the Industrial Development Charge (DC) Grant program approved by Council in 2013. An annual projected cost of $633,012 has been incorporated in the forecast for DC-related grants, with funding provided from reserve. The Financial Expenditure also incorporates $500,000 in budgeted funding for grants to local municipalities for drainage assessment, bike path and storm sewer programs, which is funded entirely from reserve in 2013. A $100,000 expenditure is forecasted in relation to these grants in 2013, therefore a reduction in the budgeted transfer from reserve has also been noted.

Vacancy Management

Included within the savings in personnel costs are vacancy management actions during the first two quarters of 2013. These actions include delaying the posting for several vacancies and delaying the backfill for several positions. The resulting cost savings of these actions is estimated to be $227,000.

Water and Wastewater Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 21,104,033	$ 10,621,625	$ 10,179,643	$ 441,982	$ 10,364,301	$ 20,543,944	$ 560,089
Administrative Expenses	550,590	275,118	269,137	5,981	244,819	513,956	36,634
Materials, Supplies & Utilities	13,832,156	6,915,300	6,510,202	405,098	7,204,724	13,714,926	117,230
Repairs & Maintenance	7,787,831	3,893,748	3,028,962	864,786	3,991,785	7,020,747	767,084
Purch. Serv. & Other Operating Exp.	13,691,018	6,853,151	4,508,041	2,345,110	7,666,837	12,174,878	1,516,140
Capital Equipment & Renovations	145,149	72,510	51,320	21,190	123,500	174,820	(29,671)
Transfers to Reserves	39,210,560	19,605,276	19,605,276	-	19,605,284	39,210,560	-
Allocations Between Departments	1,972,798	986,454	925,661	60,793	1,043,237	1,968,898	3,900
Allocations Within Departments	941,703	470,838	469,438	1,400	454,281	923,719	17,984
Allocations to Capital Program	(567,306)	(283,650)	(278,532)	(5,118)	(285,925)	(564,457)	(2,849)
Total Gross Expenditure	**98,668,532**	**49,410,370**	**45,269,148**	**4,141,222**	**50,412,843**	**95,681,991**	**2,986,541**
Revenue							
Taxation - Rate	(107,667,184)	(53,833,584)	(52,793,186)	(1,040,398)	(54,798,452)	(107,591,638)	(75,546)
Fees & Service Charges	(1,456,281)	(733,616)	(560,453)	(173,163)	(1,065,925)	(1,626,378)	170,097
Other Revenue	(27,500)	(13,746)	(27,471)	13,725	(39,980)	(67,451)	39,951
Transfers from Reserves	-	-	(704,349)	704,349	-	(704,349)	704,349
Total Revenue	**(109,150,965)**	**(54,580,946)**	**(54,085,459)**	**(495,487)**	**(55,904,357)**	**(109,989,816)**	**838,851**
Net Expenditure/(Revenue) before Indirect Allocation	**(10,482,433)**	**(5,170,576)**	**(8,816,311)**	**3,645,735**	**(5,491,514)**	**(14,307,825)**	**3,825,392**
Indirect Allocation							
Indirect Allocation	3,201,583	1,600,829	1,442,398	158,431	1,717,592	3,159,990	41,593
Debt Allocation	7,280,850	5,549,772	5,551,125	(1,353)	1,731,078	7,282,203	(1,353)
Total Indirect Allocation	**10,482,433**	**7,150,601**	**6,993,523**	**157,078**	**3,448,670**	**10,442,193**	**40,240**
Net Expenditure/(Revenue) after Indirect Allocation	**$ -**	**$ 1,980,025**	**$ (1,822,788)**	**$ 3,802,813**	**$ (2,042,844)**	**$ (3,865,632)**	**$ 3,865,632**

Water and Wastewater Services - Statement of Operations (continued)

Community Impacts & Achievements

The water division is responsible for the treatment and distribution of approximately 60 billion litres of water per year (2012 amount) through a total of 59 water facilities; including six water treatment plants, and 316 km of watermains. Similarly, the Wastewater division treats 70 billion litres of wastewater per year (2012 amount) across 11 plants and one lagoon; with collection through 123 pump stations and 283 km of wastewater mains. In addition, these divisions are also responsible for master service plans, input into water and wastewater approvals, design and construction, biosolids management, laboratory services, utility locates and environmental monitoring and enforcement. Specific initiatives included in the 2013 departmental work plan are:

- An update to the Region's internal benchmarking initiative
- Undertaking key program reviews in areas such as chemical usage reduction, process optimization, treatment process enhancements, staff development opportunities, etc.
- The Water & Wastewater Review
- Regional water supply risk mitigation
- Energy Conservation & Demand Management Planning
- Biosolids management optimization and a review of the potential for Biogas Injection into the natural gas grid
- Children's Water Festival

Variance Analysis

The projected $3,865,632 favourable year end position above for Water & Wastewater Services can be attributed at a high level to a combination of a milder/dryer winter which has yielded lower than projected winter maintenance costs, unexpended funds from the provision made annually for emergency repairs to equipment and watermains, and an unexpected downtime of both centrifuges. $1,776,950 of the projected surplus is expected to be generated in the Water division, while the remaining $2,205,520 relates to the Wastewater division.

Of the $2,986,541 projected favourable variance in gross expenditures, Personnel Costs are expected to have a favourable variance of $560,089 due largely to vacancy management ($263,100) and the reduction in overtime and shift premiums incurred in both operations and maintenance ($244,700). Projected savings of $767,084 has been reflected for Repairs and Maintenance (R&M), which are allocations for emergency response to equipment failures and forcemain breaks. While a favourable variance has been projected for these R&M accounts (largely in the Water division), year-end actuals will be contingent on emergency repairs required during the second half of the year.

A favourable variance of $1,516,140 is also anticipated in Purchased Services due to savings in sludge disposal ($634,000), unexpected downtime of both centrifuges and contracted services ($288,000) and a milder/dryer winter in the first half of year. A favourable balance of $432,000 is also anticipated in consulting services as several initiatives have been impacted by vacancies in key positions.

Water revenue is expected to be lower than projected due to the milder/wetter summer to date. A year-end projected shortfall of $75,546 has been estimated at this time (based on an estimated consumption of 59,066.500 ML), however should conditions experienced in the first half of the year continue, a negative variance greater than that is likely.

Vacancy Management

Included within the realized savings in personnel costs are vacancy management actions taken during the first two quarters of 2013. These actions include delaying the posting for several vacancies and delaying the backfill of several positions. The resulting cost savings of these actions is estimated to be $263,100.

Waste Management Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 3,558,200	$ 1,795,972	$ 1,514,405	$ 281,567	$ 1,973,597	$ 3,488,002	$ 70,198
Administrative Expenses	300,788	151,408	149,075	2,333	102,713	251,788	49,000
Materials, Supplies & Utilities	3,816,890	1,913,586	1,475,366	438,220	1,981,132	3,456,498	360,392
Repairs & Maintenance	806,077	402,954	399,264	3,690	403,123	802,387	3,690
Purch. Serv. & Other Operating Exp.	36,735,603	18,255,615	16,607,287	1,648,328	18,575,727	35,183,014	1,552,589
Capital Equipment & Renovations	73,265	36,606	13,411	23,195	36,659	50,070	23,195
Transfers to Reserves	552,483	276,240	276,240	-	276,243	552,483	-
Allocations Between Departments	144,690	72,366	77,204	(4,838)	72,324	149,528	(4,838)
Allocations Within Departments	176,329	88,158	68,658	19,500	83,333	151,991	24,338
Allocations to Capital Program	(177,753)	(88,872)	(88,877)	5	(88,881)	(177,758)	5
Total Gross Expenditure	**45,986,572**	**22,904,033**	**20,492,033**	**2,412,000**	**23,415,970**	**43,908,003**	**2,078,569**
Revenue							
Taxation - Rate	(34,951,034)	(17,475,444)	(16,988,420)	(487,024)	(17,962,614)	(34,951,034)	-
Ontario/Canada Grants	(3,376,715)	(1,688,346)	(1,839,342)	150,996	(2,197,508)	(4,036,850)	660,135
Fees & Service Charges	(3,488,092)	(1,744,026)	(1,518,208)	(225,818)	(1,719,884)	(3,238,092)	(250,000)
Other Revenue	(9,520,243)	(4,760,076)	(4,750,382)	(9,694)	(4,384,657)	(9,135,039)	(385,204)
Transfers from Reserves	-	-	(436,344)	436,344	-	(436,344)	436,344
Total Revenue	**(51,336,084)**	**(25,667,892)**	**(25,532,696)**	**(135,196)**	**(26,264,663)**	**(51,797,359)**	**461,275**
Net Expenditure/(Revenue) before Indirect Allocation	**(5,349,512)**	**(2,763,859)**	**(5,040,663)**	**2,276,804**	**(2,848,693)**	**(7,889,356)**	**2,539,844**
Indirect Allocation							
Indirect Allocation	1,107,236	553,653	450,509	103,144	593,987	1,044,496	62,740
Debt Allocation	4,242,276	2,322,356	2,317,731	4,625	1,919,920	4,237,651	4,625
Total Indirect Allocation	**5,349,512**	**2,876,009**	**2,768,240**	**107,769**	**2,513,907**	**5,282,147**	**67,365**
Net Expenditure/(Revenue) after Indirect Allocation	**$ -**	**$ 112,150**	**$ (2,272,423)**	**$ 2,384,573**	**$ (334,786)**	**$ (2,607,209)**	**$ 2,607,209**

Waste Management Services - Statement of Operations (continued)

Community Impacts & Achievements

Waste Management Services (WMS) is responsible for the operation of various facilities (landfill sites, household hazardous waste (HHW) depot and recycling centre), the delivery of curbside waste, recycling and organics collection services and diversion programs, the management of long-term organics processing and disposal contracts, as well as policy development and capital program delivery. In addition to the operation of permanent drop-off depots, special event days are provided for diverting recyclables, electronics, household hazardous waste, scrap metal and other materials.

Current WMS initiatives which are continuing into 2013 include:

- Niagara Material Recycling Facility (MRF) analysis and resulting negotiations with Niagara Recycling
- Humberstone Environmental Assessment (EA) landfill capacity expansion & improvements (Terms of Reference submitted for proposed expansion on May 17, 2013)
- Assessment of alternative diversion and disposal technologies for municipal waste management and biosolids
- Regional/municipal anti-illegal dumping campaign
- Phase 2 HHW program review (permanent depot options)
- Recycling and Green Cart collection service strategy for mixed use properties
- Mattress, boxspring and carpet recycling collection options review
- Battery collection program recommendations
- Special events recycling pilot program for organic material collection at community events
- Reopening of Bridge Street Landfill Site

Completed initiatives include the development of a Reusable Goods Drop-off at Humberstone Landfill site and a service policy for management of waste electrical and electronic equipment (WEEE).

For the second year in a row, WMS received the Ontario Electronic Stewardship (OES) program award for outstanding accomplishments in the collection of electronic waste for recycling.

Variance Analysis

The Waste Management year-end projected surplus of $2,607,209 is primarily attributable to savings in purchased services and materials, as well as an increase in program related revenue.

The projected $1,552,589 favourable variance in purchased services is primarily due to following items:

- Reductions in the consumer price index, fuel and unit count escalations for the waste/recycling/organics collection contract compared to budget ($431,000)
- Lower than budgeted tonnage sent to Walker for organics processing ($400,000) and waste disposal ($250,000) and a reduction in CPI increase compared to budget
- WEEE curbside collection program change ($254,400) not being implemented as outlined in PW 59-2013
- Timing of the reopening the Bridge Street Landfill ($225,000)

The favourable variance of $360,392 in materials and supplies is largely due to lower payments to Waterloo and Haldimand, under the recycling processing contracts, and for other third party purchases due to lower recycling market prices compared to budget ($400,000).

Although there is a corresponding decrease in Other Revenue, due to poorer market conditions, this revenue shortfall is partially offset by a higher volume of materials processed at the MRF, such as PET plastics which are a valuable commodity on a per tonne basis. As such, the overall net shortfall in Other Revenue equals $385,204, which also includes items such as the sale of carts, bins and containers. A shortfall of $250,000 is also projected for tipping fee revenue as a result of a reduction in self-hauled waste delivered to Regional landfill/drop-off depot sites. Despite the above, total revenue is projected end the year with a surplus of $461,275 due to Stewardship Ontario/Waste Diversion Organization Blue Box funding for 2013. This funding is $664,750 higher than budgeted due to the timing of the 2013 funding allocation announcement (December 2012).

Vacancy Management

Included within the realized savings in personnel costs are vacancy management actions taken during the first two quarters of 2013. These actions include delaying the advertisement of vacant positions, delaying the backfill of a position, and backfilling a position at a lower cost. The resulting cost savings of these actions is an estimated $167,500.

Community Services - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 86,680,065	$ 43,124,468	$ 42,402,068	$ 722,400	$ 44,400,725	$ 86,802,793	$ (122,728)
Administrative Expenses	1,164,119	591,934	567,356	24,578	535,670	1,103,026	61,093
Materials, Supplies & Utilities	7,273,916	3,410,684	3,730,661	(319,977)	3,729,642	7,460,303	(186,387)
Repairs & Maintenance	976,206	464,969	596,054	(131,085)	442,443	1,038,497	(62,291)
Purch. Serv. & Other Operating Exp.	37,891,212	16,120,805	16,149,377	(28,572)	22,969,160	39,118,537	(1,227,325)
Social Assistance	98,641,329	49,320,534	45,421,745	3,898,789	48,449,488	93,871,233	4,770,096
Financial Expenditures	32,905	16,562	11,408	5,154	14,235	25,643	7,262
Capital Equipment & Renovations	620,563	330,532	462,577	(132,045)	307,702	770,279	(149,716)
Transfers to Reserves	620,929	311,293	324,888	(13,595.00)	309,636	634,524	(13,595)
Allocations Between Departments	(205,131)	(102,540)	(99,381)	(3,159)	(107,247)	(206,628)	1,497
Total Gross Expenditure	**233,696,113**	**113,589,241**	**109,566,753**	**4,022,488**	**121,051,454**	**230,618,207**	**3,077,906**
Revenue							
Ontario/Canada Grants	(175,617,670)	(86,490,134)	(85,566,566)	(923,568)	(87,330,268)	(172,896,834)	(2,720,836)
Fees & Service Charges	(23,003,734)	(11,501,706)	(11,569,744)	68,038	(11,807,176)	(23,376,920)	373,186
Other Revenue	(343,242)	(171,582)	(350,217)	178,635	(314,782)	(664,999)	321,757
Transfers from Reserves	(1,850,524)	(925,236)	(925,236)	-	249,996	(675,240)	(1,175,284)
Total Revenue	**(200,815,170)**	**(99,088,658)**	**(98,411,763)**	**(676,895)**	**(99,202,230)**	**(197,613,993)**	**(3,201,177)**
Net Expenditure/(Revenue) before Indirect Allocation	**32,880,943**	**14,500,583**	**11,154,990**	**3,345,593**	**21,849,224**	**33,004,214**	**(123,271)**
Indirect Allocation							
Indirect Allocation	6,882,239	3,441,288	3,162,179	279,109	3,692,065	6,854,244	27,995
Debt Allocation	4,384,990	1,745,810	1,804,793	(58,983)	2,639,180	4,443,973	(58,983)
Total Indirect Allocation	**11,267,229**	**5,187,098**	**4,966,972**	**220,126**	**6,331,245**	**11,298,217**	**(30,988)**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 44,148,172**	**$ 19,687,681**	**$ 16,121,962**	**$ 3,565,719**	**$ 28,180,469**	**$ 44,302,431**	**$ (154,259)**

Community Services - Statement of Operations (continued)

Community Impacts & Achievements

Children's Services

- Eliminated the waitlist for fee subsidy
- Selected to participate on the Ontario Child Care Management System (OCCMS) Provincial Reporting Working Group, to propose strategies and recommend solutions on how the OCCMS can be adapted to better align with provincial reporting requirements under the new child care funding framework
- Successfully completed a Community Integration Leaders Project and applied to the Ministry of Education/Ministry of Children and Youth Services for a second round of funding to continue to work towards the integration of early years services

Social Assistance & Employment Opportunities

- As of spring 2013, the Housing Stability Plan (approved by Council in 2012 to mitigate the loss of the Community Start Up Benefit) helped prevent homelessness for approximately 2,220 households
- The Niagara Prosperity Initiative received the 2013 Prosperity and Renewal award as part of the Canadian Urban Institute's Urban Leadership Award program. As of May 2013, the Niagara Prosperity Initiative has invested in 218 projects across Niagara, serving over 75,000 individuals
- Completed the Housing and Homelessness Action Plan and submitted to the Ministry of Municipal Affairs and Housing. Almost 1,300 people representing business, service providers and people with lived experience provided input into the Region's 10 year Housing and Homelessness Plan, entitled "A Home for All"
- Successfully applied for additional Local Immigration Partnership Funding
- Continue to work with the Province to prepare for the new Social Assistance Management Technology

Senior Services

- Submission of a successful proposal to bring convalescent care beds to Niagara, at the Linhaven home, and is now operational
- Continued work on the redevelopment of the Deer Park Villa home, with grand opening on track for September 2013

Variance Analysis

Community Services is forecasting a year-end deficit of $123,271, prior to the indirect allocations and $154,259 after indirect allocations. Children's Services is anticipating a surplus of $10,370 while Senior Services is expecting a deficit of $120,565, Social Assistance and Employment Opportunities will be net zero after adjusting the draw from reserves, as reserves cannot be used to create an operating surplus. There are minor variances in the areas of Operational Support Services and Housing, Hostels & Homelessness of $9,742 and $3,334 respectively.

Children's Services has received additional revenues from the Province and parent fees have been used to support purchase of service arrangements with childcare providers and to meet fee subsidy demands in the current economic climate.

The deficit in Senior Services is in the areas of personnel costs and materials, supplies and utilities.

Social Assistance and Employment Opportunities will not require the full draw from the social assistance reserve; caseload mix continues to have a large population of singles and therefore allowances and benefits are lower. The draw from reserves has been adjusted to reflect the need in the division as policy does not allow for the creation of a surplus through the use of reserve dollars.

Vacancy Management

Community Services continues to work with Human Resources to fill all vacancies as they arise due to the continued volume of work; high needs in our homes and demand for our services, continues to be driven by our current economic climate.

Public Health - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 30,610,520	$ 15,417,042	$ 15,146,641	$ 270,401	$ 15,203,803	$ 30,350,444	$ 260,076
Administrative Expenses	1,098,867	549,097	609,279	(60,182)	434,681	1,043,960	54,907
Materials, Supplies & Utilities	1,246,682	624,795	417,944	206,851	785,155	1,203,099	43,583
Repairs & Maintenance	77,000	38,472	11,960	26,512	68,554	80,514	(3,514)
Purch. Serv. & Other Operating Exp.	2,383,893	1,239,783	1,227,099	12,684	1,143,654	2,370,753	13,140
Capital Equipment & Renovations	168,045	83,976	200,397	(116,421)	86,500	286,897	(118,852)
Allocations Between Departments	(78,366)	(39,192)	(27,169)	(12,023)	(39,174)	(66,343)	(12,023)
Total Gross Expenditure	**35,506,641**	**17,913,973**	**17,586,151**	**327,822**	**17,683,173**	**35,269,324**	**237,317**
Revenue							
Ontario/Canada Grants	(30,112,486)	(15,128,044)	(15,305,334)	177,290	(14,739,045)	(30,044,379)	(68,107)
Fees & Service Charges	(353,000)	(176,490)	(217,741)	41,251	(187,000)	(404,741)	51,741
Other Revenue	(497,772)	(248,880)	(283,897)	35,017	(147,601)	(431,498)	(66,274)
Transfers from Reserves	-	-	(213,547)	213,547	-	(213,547)	213,547
Total Revenue	**(30,963,258)**	**(15,553,414)**	**(16,020,519)**	**467,105**	**(15,073,646)**	**(31,094,165)**	**130,907**
Net Expenditure/(Revenue) before Indirect Allocation	**4,543,383**	**2,360,559**	**1,565,632**	**794,927**	**2,609,527**	**4,175,159**	**368,224**
Indirect Allocation							
Indirect Allocation	4,799,584	2,400,757	2,142,239	258,518	2,573,917	4,716,156	83,428
Debt Allocation	2,155,538	831,122	819,380	11,742	1,324,416	2,143,796	11,742
Total Indirect Allocation	**6,955,122**	**3,231,879**	**2,961,619**	**270,260**	**3,898,333**	**6,859,952**	**95,170**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 11,498,505**	**$ 5,592,438**	**$ 4,527,251**	**$ 1,065,187**	**$ 6,507,860**	**$ 11,035,111**	**$ 463,394**

Public Health - Statement of Operations (continued)

Community Impacts & Achievements

Programming Changes

Niagara Region Public Health (NRPH) has developed and implemented two personal services information sites called Niagara Info-ink (for tattoo and piercings) and Niagara Info-beauty (for salons, barber shops, and beauty parlors). These new sites complement the long-standing Niagara Info-dine web based information site for restaurants, bars and food establishments. The public can now easily get the results of inspections of tattoo parlors and beauty salons as well as places to eat.

The Vector Borne Surveillance program has experienced an increase in tick submissions for 2013 and to-date has identified 843 ticks submitted by members of the public. This is a marked increase from submissions the year before where NRPH dealt with a total of 650 submissions for the entire year .

The Sparking Life Niagara program has developed and distributed 150 activity toolkits to all secondary schools across the region, including 21 alternative education programs. This program, which integrates physical activity into the classroom, provided these toolkits to provide a five to ten minute "booster" exercise session during class time. Given the success of the program, the program is expanding this fall and schools may apply to use large pieces of exercise equipment.

New Funding

NRPH applies for many grants every year in an effort to extend its services without impacting the levy. Some new projects funded in 2013 include:

- A Smoking Cessation Program in partnership with the Centre of Addiction and Mental Health, the Ministry of Health & Long-Term Care, the Smokers' Helpline and the Ontario Tobacco Research Unit. This program has been tailored to help workers in five Niagara hospitality and manufacturing workplaces reduce their present levels of smoking.
- Researching the impact of various injury prevention messages among parents and caregivers. This project is being funded in partnership with Public Health Ontario and the Ontario Neurotrama foundation.
- Evaluating the effectiveness of different types of prevention messages geared to prevent childhood falls (1 - 4 years). This project is being funded by the Canadian Institute of Health Research.
- Collaborator on the Creating Access to Screening and Training in the Living Environment (CASTLE) project with other health units and two universities. This project is being funded by the Public Health Agency of Canada for a period of three years. CASTLE's objective is to promote increased participation in cancer screening in low-income housing communities and to help reduce the barriers to access that exist within those communities.

Though not directly funded, volunteers are an integral part of public health. To date 54 volunteers have been recruited to support staff in public health initiatives contributing over 2,000 hours of service and this is anticipated to double by year-end. This is an excellent way to extend our outreach and build capacity in NRPH's communities.

Variance Analysis

The positive variance in the Personnel Costs is a result of staff leaves and the corresponding time lag created in trying to fill the positions for the leave periods. The current positive variance in Materials and Supplies is the result of the timing of purchases. The second half of the year is when more supplies are consumed and the variance is expected to decrease by the end of the year. The overspending in the Capital Equipment and Renovations is expected to carry on until the end of the year and will be offset by under spending in the other expenditure lines. The Capital Equipment and Renovations expenditures are addressing the problems in the accommodations in the outer offices which are occurring because of the aging infrastructure. The current revenue position with respect to the Transfers from Reserves are for specific projects that commenced in 2012 and are expected to be completed this year.

Vacancy Management

Public Health positions are driven by the requirements of the Health Protection and Promotion Act and community needs. Current vacancy management process allows for Public Health commissioner and CAO oversight and accountability while creating ability to fill needed positions in a timely manner. The Public Health commissioner has selectively returned requests for positions for reconsideration of length of contract and level of compensation.

Niagara Region Emergency Medical Services (NEMS) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 30,631,405	$ 15,540,995	$ 15,312,893	$ 228,102	$ 15,529,464	$ 30,842,357	$ (210,952)
Administrative Expenses	205,750	117,806	87,031	30,775	118,719	205,750	-
Materials, Supplies & Utilities	1,909,750	954,798	947,320	7,478	917,855	1,865,175	44,575
Repairs & Maintenance	820,500	410,238	326,695	83,543	493,805	820,500	-
Purch. Serv. & Other Operating Exp.	1,144,458	668,880	1,015,889	(347,009)	744,311	1,760,200	(615,742)
Capital Equipment & Renovations	206,918	103,446	138,410	(34,964)	359,778	498,188	(291,270)
Transfers to Reserves	1,090,030	545,004	545,004	-	545,026	1,090,030	-
Allocations Between Departments	20,309	10,152	9,829	323	10,157	19,986	323
Total Gross Expenditure	**36,029,120**	**18,351,319**	**18,383,071**	**(31,752)**	**18,719,115**	**37,102,186**	**(1,073,066)**
Revenue							
Ontario/Canada Grants	(21,665,706)	(10,934,976)	(11,124,706)	189,730	(10,940,099)	(22,064,805)	399,099
Fees & Service Charges	-	-	(1,458)	1,458	(1,458)	(2,916)	2,916
Other Revenue	(20,000)	(9,996)	(209,510)	199,514	(166,169)	(375,679)	355,679
Transfers from Reserves	-	-	(244,540)	244,540	-	(244,540)	244,540
Total Revenue	**(21,685,706)**	**(10,944,972)**	**(11,580,214)**	**635,242**	**(11,107,726)**	**(22,687,940)**	**1,002,234**
Net Expenditure/(Revenue) before Indirect Allocation	**14,343,414**	**7,406,347**	**6,802,857**	**603,490**	**7,611,389**	**14,414,246**	**(70,832)**
Indirect Allocation							
Indirect Allocation	2,014,711	1,009,985	747,108	262,877	1,078,062	1,825,170	189,541
Debt Allocation	1,031,338	315,578	307,148	8,430	715,760	1,022,908	8,430
Total Indirect Allocation	**3,046,049**	**1,325,563**	**1,054,256**	**271,307**	**1,793,822**	**2,848,078**	**197,971**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 17,389,463**	**$ 8,731,910**	**$ 7,857,113**	**$ 874,797**	**$ 9,405,211**	**$ 17,262,324**	**$ 127,139**

Niagara Region Emergency Medical Services (NEMS) - Statement of Operations (continued)

Community Impacts & Achievements

NEMS initiatives in 2013 include:

- Working towards the approved number of Advanced Care Paramedics during 2013 through the Niagara College training program, per Council
- Working collaboratively with the Niagara Health System to attempt to mitigate the impact of health system changes on the service, including weekly meetings
- Utilization of innovative dispatch technology to reduce operating costs for response time performance achievement
- Funding and supporting from Local Health Integration Network for the Omega project

NEMS achievements in 2013 include:

- Successful recertification of all medics for International Trauma Life Support program
- Assisted in the efficient patient transfer from St.Catharines General legacy site to the new St. Catharines hospital
- First place finish at international and provincial paramedic competitions
- Successful installation of air ride suspension for new style ambulances. NEMS continues to investigate and implement new equipment technologies (air ride suspension/stretchers) in an effort to mitigate worker injuries
- Ontario Municipal Benchmarking Initiatives demonstrate NEMS excellence succeeding response time performance standards mandated by the Ministry of Health and Long-Term Care (MOHLTC) and Regional Council

Variance Analysis

The unfavourable variance in Personnel Costs is due to increased costs within the land ambulance program related to unplanned up-staffing and overtime. This is the primary driver behind the forecasted deficit before indirect allocations of $70,832. Some of these additional costs are offset by the favourable variance in Other Revenue related to special events, union billings and the First aid / CPR program. The favourable variance related to Materials, Supplies and Utilities is due to savings resulting from the purchase of drugs, through a new affiliation with a group buying agency, and better controls over inventory and around the expiration dates of controlled drugs. Purchased Services unfavourable variance and Ontario/Canada Grants favourable variance are related to the Offload Nurse program as costs and revenues related to this fiscal program continue; NEMS awaits the formal Offload Nurse Funding announcement for 2013/2014. There continues to be uncertainty related to ongoing MOHLTC off-load nurse funding as the funding announcements are consistently several months late. The budget will be adjusted to reflect the funding announcement once received. Capital Equipment and Renovations is projected to be over-budget as a result of the planned fleet center leasehold improvements and software purchases; both these purchases will be offset by Transfers from Reserves. It is important to note that any year end surplus within the ambulance dispatch program and Offload Nurse program is returned to the MOHLTC.

Vacancy Management

The service continues to face challenges in maintaining service levels, particularly due to increased call volume and off-load delays; this has correlated to numerous missed meal breaks for staff and has resulted in unplanned temporary up staffing and overtime to address these pressures. Some of these additional costs will be offset by projected revenues related to special events.

Economic Development - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 640,774	$ 321,384	$ 266,341	$ 55,043	$ 287,728	$ 554,069	$ 86,705
Administrative Expenses	60,000	29,982	21,796	8,186	38,204	60,000	-
Materials, Supplies & Utilities	13,000	6,498	7,806	(1,308)	5,194	13,000	-
Repairs & Maintenance	-	-	939	(939)	-	939	(939)
Purch. Serv. & Other Operating Exp.	1,031,868	515,926	366,440	149,486	665,000	1,031,440	428
Financial Expenditures	178,000	89,000	-	89,000	178,000	178,000	-
Allocations Between Departments	3,085	1,542	2,530	(988)	1,543	4,073	(988)
Total Gross Expenditure	**1,926,727**	**964,332**	**665,852**	**298,480**	**1,175,669**	**1,841,521**	**85,206**
Revenue							
Transfers from Reserves	(150,000)	(150,000)	(150,000)	-	-	(150,000)	-
Total Revenue	**(150,000)**	**(150,000)**	**(150,000)**	**-**	**-**	**(150,000)**	**-**
Net Expenditure/(Revenue) before Indirect Allocation	**1,776,727**	**814,332**	**515,852**	**298,480**	**1,175,669**	**1,691,521**	**85,206**
Indirect Allocation							
Indirect Allocation	191,651	95,820	91,917	3,903	102,825	194,742	(3,091)
Debt Allocation	137,209	47,464	45,970	1,494	89,745	135,715	1,494
Total Indirect Allocation	**328,860**	**143,284**	**137,887**	**5,397**	**192,570**	**330,457**	**(1,597)**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 2,105,587**	**$ 957,616**	**$ 653,739**	**$ 303,877**	**$ 1,368,239**	**$ 2,021,978**	**$ 83,609**

Economic Development - Statement of Operations (continued)

Community Impacts & Achievements

In March 2013, a comprehensive Manufacturing Support project was launched in partnership with the Niagara Industrial Association, Niagara College and the Federal Economic Development Agency for Southwest Ontario (FedDev). This project provides significant support to Niagara manufacturers who are looking to grow and strengthen their businesses. FedDev has contributed approximately $580,000 to the project, with an additional $150,000 in Regional funding. The Niagara Site Finder application will launch in September. This state-of-the-art GIS tool will map industrial and commercial properties for sale and provide valuable demographic information and site characteristics that will allow potential investors to find the right location in Niagara to locate and/or expand their business. This project empowers municipalities, property owners and real estate professionals to market their properties to a global audience.

Variance Analysis

Personnel Costs - The planned Expeditor FTE is currently vacant. This function is currently held by a contracted specialist who is defining the role, working closely with businesses and municipalities, and developing a comprehensive Gateway economic zone marketing plan. This position will be filled in Q4 2013. Despite the FTE, Economic Development will continue to show a favourable variance in this budget line. Purchased Services & Other Operating Expenses - Activities related to the Manufacturing Support project started later than anticipated, resulting in a delay in planned expenditures relating to this work. Commencement of work on other projects was also delayed from Q2 to Q3 to ensure a comprehensive RFP process. All work planned for 2013 will be completed by year end. Financial Expenditures - A planned grant to Brock University for the "This is My Niagara" project has been cancelled at the request of the recipient. We have forecasted this to be replaced by support for other partnerships with the University.

Vacancy Management

The Expeditor FTE position is currently vacant and will continue to be filled by a contracted specialist until Q4 2013. This vacancy allowed Economic Development to verify the need for this function and establish best practices. It is planned to fill this position in Q4 2013.

Niagara Regional Housing (NRH) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 4,060,166	$ 2,079,267	$ 1,984,526	$ 94,741	$ 2,075,640	$ 4,060,166	$ -
Administrative Expenses	247,224	123,570	96,926	26,644	150,298	247,224	-
Materials, Supplies & Utilities	5,233,134	2,294,174	2,019,435	274,739	3,213,699	5,233,134	-
Repairs & Maintenance	3,761,133	1,816,049	2,125,922	(309,873)	1,921,536	4,047,458	(286,325)
Purch. Serv. & Other Operating Exp.	4,517,003	2,397,729	2,553,624	(155,895)	2,304,319	4,857,943	(340,940)
Financial Expenditures	3,161,253	1,580,616	1,515,397	65,219	1,645,856	3,161,253	-
Capital Equipment & Renovations	30,000	14,994	24,665	(9,671)	5,335	30,000	-
Housing Provider Subsidy & Supplements	28,649,595	14,324,788	14,073,347	251,441	14,626,248	28,699,595	(50,000)
Transfers to Reserves	415,200	246,522	207,600	38,922	207,600	415,200	-
Allocations Between Departments	531,832	265,914	271,625	(5,711)	270,574	542,199	(10,367)
Total Gross Expenditure	**50,606,540**	**25,143,623**	**24,873,067**	**270,556**	**26,421,105**	**51,294,172**	**(687,632)**
Revenue							
Ontario/Canada Grants	(2,364,900)	(1,182,444)	(1,037,194)	(145,250)	(1,327,706)	(2,364,900)	-
Other Revenue	(22,563,041)	(11,280,377)	(11,399,634)	119,257	(11,363,407)	(22,763,041)	200,000
Transfers from Reserves	(95,000)	(47,502)	(244,194)	196,692	(47,498)	(291,692)	196,692
Total Revenue	**(25,022,941)**	**(12,510,323)**	**(12,681,022)**	**170,699**	**(12,738,611)**	**(25,419,633)**	**396,692**
Net Expenditure/(Revenue) before Indirect Allocation	**25,583,599**	**12,633,300**	**12,192,045**	**441,255**	**13,682,494**	**25,874,539**	**(290,940)**
Indirect Allocation							
Indirect Allocation	1,128,403	564,204	472,204	92,000	600,382	1,072,586	55,817
Debt Allocation	2,176,265	763,360	770,461	(7,101)	1,412,905	2,183,366	(7,101)
Total Indirect Allocation	**3,304,668**	**1,327,564**	**1,242,665**	**84,899**	**2,013,287**	**3,255,952**	**48,716**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 28,888,267**	**$ 13,960,864**	**$ 13,434,710**	**$ 526,154**	**$ 15,695,781**	**$ 29,130,491**	**$ (242,224)**

Niagara Regional Housing (NRH) - Statement of Operations (continued)

Community Impacts & Achievements

NRH is responsible for direct ownership and management of a residential rental portfolio; the provision of subsidies to providers and private landlords; the management of the waiting list; and the delivery of any federal/provincial programs.

Owned Units

NRH provides property and asset management services for a portfolio of 2,700 units including 35 apartment buildings and over 850 townhouses/houses. These units are home to over 6,500 people. This portfolio represents 35 per cent of the operating budget for building related expenses – maintenance, taxes, utilities etc.

Rental Subsidy Programs – Housing Providers and Rent Supplement

Through rental subsidy programs with private landlords and non-profit/co-operative housing providers, an additional 5,000 units of affordable housing are available. The subsidies which account for 54 per cent of the operating budget are calculated based on legislative requirements.

Affordable Housing Wait List

NRH maintains the affordable housing wait list for the region. The demand for housing continues to increase with an 8 per cent increase over the same quarter last year. At the end of the second quarter, 6,111 households were waiting for permanent subsidized accommodation while 131 received housing.

Variance Analysis

There are three key pressure points affecting the forecast for year end:

- The primary driver behind the forecasted $340,940 unfavourable variance in Purch. Serv. & Other Operating Exp. is a property tax reassessment, expected to result in an increase in property taxes of 14.4 per cent from 2012. It is estimated that the year end property tax account will be overspent by $318,947.

- Repairs & Maintenance has forecasted an unfavourable variance of $286,325 (offset by $196,692 in funding encumbered from 2012 reflected in Transfers from Reserves) as a result of increased demand for repairs due to aging assets and equipment, as well as increased contract costs.

- The favourable variance in Other Revenue of $200,000 is primarily the result of increased interest income on the bank account and better than anticipated collection of tenant rents.

Vacancy Management

NRH continues to take appropriate vacancy management measures to reduce expenses.

Provincial Offences Act (POA) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 1,973,344	$ 990,384	$ 966,354	$ 24,030	$ 942,164	$ 1,908,518	$ 64,826
Administrative Expenses	42,722	22,232	21,001	1,231	19,955	40,956	1,766
Materials, Supplies & Utilities	84,582	43,384	36,312	7,072	38,223	74,535	10,047
Purch. Serv. & Other Operating Exp.	3,800,547	1,892,425	1,978,207	(85,782)	1,893,881	3,872,088	(71,541)
Financial Expenditures	120,000	60,000	43,424	16,576	76,576	120,000	-
Capital Equipment & Renovations	28,344	14,172	8,423	5,749	22,053	30,476	(2,132)
Transfers to Reserves	1,000,000	500,000	500,000	-	56,195	556,195	443,805
Allocations Between Departments	10,958	5,478	5,182	296	5,480	10,662	296
Total Gross Expenditure	**7,060,497**	**3,528,075**	**3,558,903**	**(30,828)**	**3,054,527**	**6,613,430**	**447,067**
Revenue							
Other Revenue	(8,825,603)	(4,412,801)	(4,220,217)	(192,584)	(4,217,652)	(8,437,869)	(387,734)
Total Revenue	**(8,825,603)**	**(4,412,801)**	**(4,220,217)**	**(192,584)**	**(4,217,652)**	**(8,437,869)**	**(387,734)**
Net Expenditure/(Revenue) before Indirect Allocation	**(1,765,106)**	**(884,726)**	**(661,314)**	**(223,412)**	**(1,163,125)**	**(1,824,439)**	**59,333**
Indirect Allocation							
Indirect Allocation	737,192	368,592	402,770	(34,178)	395,503	798,273	(61,081)
Debt Allocation	27,914	25,980	24,232	1,748	1,934	26,166	1,748
Total Indirect Allocation	**765,106**	**394,572**	**427,002**	**(32,430)**	**397,437**	**824,439**	**(59,333)**
Net Expenditure/(Revenue) after Indirect Allocation	**$ (1,000,000)**	**$ (490,154)**	**$ (234,312)**	**$ (255,842)**	**$ (765,688)**	**$ (1,000,000)**	**$ -**

Provincial Offences Act (POA) - Statement of Operations (continued)

Community Impacts & Achievements

A three-year business plan was developed for POA. This plan will provide a clear focus for court administration as the court strives to be continuously more effective and efficient. The plan aligns with Council's Business Plan in the areas such as "Responsive Region" and "Environmentally Responsible".

All of the major service indicators continue to fluctuate year-to-date compared to the same time-period in 2012. This includes:

- Counter visits - 16.0 per cent increase
- Charges filed - 15.9 per cent increase*
- Trial requests - 2.6 per cent decrease*
- Courtroom utilization - 11.0 per cent increase*
- Payments received - 15.3 per cent decrease

*Data available to May 2013 only - compared to same period in 2012

At the end of the second quarter, trials were scheduled into March 2014, a nine-month scheduling delay. 71 extra courts were scheduled in the first six months of 2013, with an additional 78 scheduled for the balance of the year. The implementation of Early Resolution has contributed to the decrease in the number of trial requests. A total of 4,239 Early Resolution meetings were held, with 79 per cent resolved. Courtroom hours, however have increased as the cases scheduled are actually proceeding to trial and Early Resolution cases, although dealt with in a more timely manner, utilize courtroom time.

New performance measures were developed and implemented April 1, 2013. Data will be available for future quarterly reporting.

A request for prequalification for properties for two new POA courthouses was advertised and evaluations completed. As a result, a shortlist of potential properties was approved by Regional Council.

Variance Analysis

A year-to-date unfavourable variance of $85,782 has occurred in Purchased Services due to:

- Increased postage costs
- Adjudication costs due to additional courtroom hours and increased usage of interpreters, in addition to an increase in their fees for 2013
- There has been a reduction in pre-paid fines, that require additional enforcement activity to ensure payment of fines
- There has been an increase in the use of per diem prosecutors to cover the additional courts scheduled in the first half of 2013

Due to the reduction in revenue received to date, POA is forecasting a lower than anticipated contribution to the POA capital reserve fund in the second half of 2013 (to be approved by the Joint Board of Management at year-end). These reductions are due, in large part, to the reduced number of charges in Q4 of 2012, which affected revenue in the first half of 2013 for POA. Despite these variances, we continue to forecast operating expenditures as budgeted.

Vacancy Management

A positive variance of $24,030 in Personnel Costs has occurred in the first half of 2013 as a collections and court administration clerk position from early in Q2 were not filled on a permanent, ongoing basis until Q3. In addition to delays in filling positions, an employee on maternity leave has been backfilled at a lower rate of pay.

Niagara Regional Police Services & Board (NRPS) - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 123,947,192	$ 60,858,437	$ 63,175,644	$ (2,317,207)	$ 65,090,849	$ 128,266,493	$ (4,319,301)
Administrative Expenses	1,692,475	846,237	663,417	182,820	979,058	1,642,475	50,000
Materials, Supplies & Utilities	5,002,274	2,523,659	2,237,486	286,173	2,759,788	4,997,274	5,000
Repairs & Maintenance	2,184,200	1,092,100	1,143,318	(51,218)	1,040,882	2,184,200	-
Purch. Serv. & Other Operating Exp.	3,106,145	1,553,072	1,369,139	183,933	1,737,006	3,106,145	-
Financial Expenditures	4,000	2,000	-	2,000	4,000	4,000	-
Capital Equipment & Renovations	542,800	271,400	45,831	225,569	462,061	507,892	34,908
Transfers to Reserves	4,749,664	4,749,664	4,749,664	-	(300,000)	4,449,664	300,000
Allocations Between Departments	(1,084,930)	(542,466)	(507,558)	(34,908)	(542,464)	(1,050,022)	(34,908)
Total Gross Expenditure	**140,143,820**	**71,354,103**	**72,876,941**	**(1,522,838)**	**71,231,180**	**144,108,121**	**(3,964,301)**
Revenue							
Ontario/Canada Grants	(5,152,823)	(2,576,408)	(2,651,412)	75,004	(2,576,411)	(5,227,823)	75,000
Fees & Service Charges	(6,538,767)	(3,269,383)	(3,472,245)	202,862	(3,066,522)	(6,538,767)	-
Other Revenue	(1,750,946)	(875,974)	(1,098,485)	222,511	(708,461)	(1,806,946)	56,000
Transfers from Reserves	(575,000)	(575,000)	(575,000)	-	-	(575,000)	-
Total Revenue	**(14,017,536)**	**(7,296,765)**	**(7,797,142)**	**500,377**	**(6,351,394)**	**(14,148,536)**	**131,000**
Net Expenditure/(Revenue) before Indirect Allocation	**126,126,284**	**64,057,338**	**65,079,799**	**(1,022,461)**	**64,879,786**	**129,959,585**	**(3,833,301)**
Indirect Allocation							
Indirect Allocation	5,251,852	2,625,799	3,248,659	(622,860)	2,817,727	6,066,386	(814,534)
Debt Allocation	6,096,071	1,848,752	1,847,362	1,390	4,247,319	6,094,681	1,390
Total Indirect Allocation	**11,347,923**	**4,474,551**	**5,096,021**	**(621,470)**	**7,065,046**	**12,161,067**	**(813,144)**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 137,474,207**	**$ 68,531,889**	**$ 70,175,820**	**$ (1,643,931)**	**$ 71,944,832**	**$ 142,120,652**	**$ (4,646,445)**

Community Impacts & Achievements

Full details are available in the Service Report to the Police Service Board (PSB) received by the Board on July 25, 2013. A copy has been submitted to the Region. The year to date actuals presented in the PSB Report show minor variances from the Regional information. This is a result of Regional transactions posted subsequent to the NRPS required month end close deadline.

Variance Analysis

Total forecasted gross expenditures are 3,964,301 more than budget due mainly to a forecasted deficit in Personnel Costs. This is a result of the Service receiving the arbitrated award for the Niagara Region Police Association's January 1, 2012 to December 31, 2012 Uniform and Civilian Collective Agreements. The terms of the award, the settlement of the Senior Officer agreement and the updating of the 2013 collective bargaining estimates are expected to have a $5.7 million impact on the Service's 2013 operating results. This impact has been partially offset by $650,000 in Uniform Salaries savings from vacancies and delays in hiring, as well as a $700,000 refund received in July 2013 for Administrative Service Only benefits.

As part of the initiative to offset the forecasted deficit, the Service has forecasted a $300,000 reduction in the transfer to the Vehicle and Equipment Replacement Reserve. The request for reduction in the transfer to reserve has not yet been forwarded to council for approval as funding sources for deficits are determined at year end.

General Government - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Personnel Costs	$ 1,127,686	$ 690,645	$ 566,924	$ 123,721	$ 572,086	$ 1,139,010	$ (11,324)
Administrative Expenses	119,384	81,396	72,805	8,591	30,171	102,976	16,408
Materials, Supplies & Utilities	29,400	14,682	15,465	(783)	16,637	32,102	(2,702)
Repairs & Maintenance	52,900	26,448	6,590	19,858	6,400	12,990	39,910
Purch. Serv. & Other Operating Exp.	6,284,054	3,142,012	2,991,341	150,671	3,316,264	6,307,605	(23,551)
Financial Expenditures	42,924,940	18,069,479	17,167,881	901,598	26,000,316	43,168,197	(243,257)
Capital Equipment & Renovations	800	396	4,993	(4,597)	-	4,993	(4,193)
Transfers to Reserves	24,242,882	12,102,206	12,362,738	(260,532)	11,868,209	24,230,947	11,935
Allocations Between Departments	1,241,290	620,640	621,708	(1,068)	620,650	1,242,358	(1,068)
Total Gross Expenditure	**76,023,336**	**34,747,904**	**33,810,445**	**937,459**	**42,430,733**	**76,241,178**	**(217,842)**
Revenue							
Taxation - Levy	(318,942,420)	(151,552,606)	(147,500,898)	(4,051,708)	(171,439,375)	(318,940,273)	(2,147)
Fees & Service Charges	-	-	(14,197)	14,197	-	(14,197)	14,197
Other Revenue	(12,285,633)	(5,838,119)	(6,672,793)	834,674	(6,351,181)	(13,023,974)	738,341
Transfers from Reserves	(2,882,667)	(2,475,167)	(2,475,167)	-	(407,500)	(2,882,667)	-
Total Revenue	**(334,110,720)**	**(159,865,892)**	**(156,663,055)**	**(3,202,837)**	**(178,198,056)**	**(334,861,111)**	**750,391**
Net Expenditure/(Revenue) before Indirect Allocation	**(258,087,384)**	**(125,117,988)**	**(122,852,610)**	**(2,265,378)**	**(135,767,323)**	**(258,619,933)**	**532,549**
Indirect Allocation							
Indirect Allocation	(2,018,218)	(1,009,110)	(1,006,818)	(2,292)	(1,082,762)	(2,089,580)	71,362
Debt Allocation	(47,539,092)	(17,832,424)	(17,831,600)	(824)	(29,706,668)	(47,538,268)	(824)
Total Indirect Allocation	**(49,557,310)**	**(18,841,534)**	**(18,838,418)**	**(3,116)**	**(30,789,430)**	**(49,627,848)**	**70,538**
Net Expenditure/(Revenue) after Indirect Allocation	**$ (307,644,694)**	**$ (143,959,522)**	**$ (141,691,028)**	**$ (2,268,494)**	**$ (166,556,753)**	**$ (308,247,781)**	**$ 603,087**

Community Impacts & Achievements

Certain risks associated in General Government include:

- Legal liability could fluctuate at year-end depending on claims status
- Line of sight on write-offs and supplemental taxes is limited as it is not provided by the local area municipalities until year-end. These are currently forecasted as budgeted.

Variance Analysis

The increased Other Revenue is primarily the result of additional investment income (see investment report for further details on page 47).

The unfavourable variance in Financial Expenditures is the result of forecasting an increase to the legal liability of approximately $325,000 based on claims expected to be outstanding at yearend. This is offset partially by a favourable variance resulting from the timing of debt issue.

Special Initiatives/Joint Initiatives - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Financial Expenditures	$ 245,000	$ 185,000	$ 170,000	$ 15,000	$ 60,000	$ 230,000	$ 15,000
Transfers to Reserves	796,750	796,750	796,750	-	-	796,750	-
Total Gross Expenditure	**1,041,750**	**981,750**	**966,750**	**15,000**	**60,000**	**1,026,750**	**15,000**
Revenue							
Transfers from Reserves	(100,000)	(100,000)	(100,000)	-	-	(100,000)	-
Total Revenue	**(100,000)**	**(100,000)**	**(100,000)**	**-**	**-**	**(100,000)**	**-**
Net Expenditure/(Revenue)	**$ 941,750**	**$ 881,750**	**$ 866,750**	**$ 15,000**	**$ 60,000**	**$ 926,750**	**$ 15,000**

Community Impacts & Achievements

In 2012, the Region contributed $15,370,000 towards the Cancer Centre in the Niagara Health System complex in St. Catharines. The contribution, which was originally expected to occur at a rate of $1 million per year until 2040, was fully paid in 2012 at the present value amount (CSD 146-2011). The early payment amount was internally financed by running a deficit in Niagara Region's operating fund, to be replenished through the levy in future years.

Included in Financial Expenditures is $60,000 related to council's youth retention strategy, $100,000 for the 1812 Legacy Council to be funded from the contingecy reserve and $70,000 for the Pan Am Games.

Variance Analysis

$85,000 in budget funds were earmarked for an annual contribution to the Pan Am Games, however only $70,000 is anticipated to be required annually until 2015. This results in a projected surplus of $15,000 for 2013.

Niagara Peninsula Conservation Authority (NPCA) Grant - Statement of Operations

Object of Expenditure Description	Annual Budget	Year To Date Budget	Year To Date Actual	Year To Date Budget vs Actual Variance Favourable/ (Unfavourable)	Year To Go Forecast (Jul to Dec)	Annual Forecast	Annual Budget vs Forecast Variance Favourable/ (Unfavourable)
Gross Expenditure							
Financial Expenditures	7,046,729	3,523,364	3,523,364	-	3,523,365	7,046,729	-
Total Gross Expenditure	**7,046,729**	**3,523,364**	**3,523,364**	**-**	**3,523,365**	**7,046,729**	**-**
Revenue							
Other Revenue	(102,708)	(51,354)	(48,866)	(2,488)	(56,262)	(104,128)	1,420
Transfers from Reserves	(300,000)	-	-	-	(300,000)	(300,000)	-
Total Revenue	**(402,708)**	**(51,354)**	**(48,866)**	**(2,488)**	**(356,262)**	**(404,128)**	**1,420**
Net Expenditure/(Revenue) before Indirect Allocation	**6,644,021**	**3,472,010**	**3,474,498**	**(2,488)**	**3,168,103**	**6,642,601**	**1,420**
Indirect Allocation							
Indirect Allocation	102,708	51,354	49,026	2,328	55,102	104,128	(1,420)
Total Indirect Allocation	**102,708**	**51,354**	**49,026**	**2,328**	**55,102**	**104,128**	**(1,420)**
Net Expenditure/(Revenue) after Indirect Allocation	**$ 6,746,729**	**$ 3,523,364**	**$ 3,523,524**	**$ (160)**	**$ 3,223,205**	**$ 6,746,729**	**$ -**

Community Impacts & Achievements

NPCA is a separate corporation that receives funding from the Niagara Region. The above summary shows the grant that the Niagara Region provides the NPCA and not their operating results.

The Region will provide the NPCA the remaining half of their approved annual funding in the next two quarters.

Variance Analysis

Year-to-date NPCA has received 50 per cent of their annual funding as planned.

In 2013, NPCA requested $300,000 in funding for water related activities and this was provided through the water reserves.

Reserve Summary

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Jun)	Year to Date Capital Transfers	Balances at June 30, 2013	Net Transfers Forecast from/(to) Operating (Jul-Dec)	Capital Commitments *	Balance Available at December 31, 2013
NRPS LTA Financing	$ -	$ 912,332	-	$ 912,332	$ -	$ -	912,332
Ambulance Communication	1,699,293	-	-	1,699,293	-	(96,000)	1,603,293
Chemical, Biological, Radiological, Nuclear (CBRN) Emergency Response Team	261,803	25,464	-	287,267	25,472	-	312,739
Ambulance Replacement	387,123	512,718	-	899,841	512,724	-	1,412,565
Niagara Regional Housing	9,437,690	-	-	9,437,690	-	-	9,437,690
Fleet Equipment Replacement	6,158,929	846,690	(4,136,865)	2,868,755	846,690	-	3,715,445
Police Vehicle and Equipment Replacement	192,591	1,600,000	(1,600,000)	192,591	(300,000)	-	(107,409)
Welland Canal Crossings	141,695	-	-	141,695	-	-	141,695
NRH Owned Units	1,976,300	175,098	(465,681)	1,685,717	175,102	-	1,860,819
Corporate Employee Recognition Team (CERT)	369,209	(20,922)	-	348,287	(20,928)	-	327,359
PW Field Admin. Equip. Replacement	4,752	49,998	-	54,750	50,002	(100,000)	4,752
Senior Capital	2,422,042	197,031	(800,000)	1,819,073	197,184	-	2,016,257
Public Health	227,742	-	-	227,742	-	-	227,742
Social Assistance	8,489,459	(925,236)	-	7,564,223	249,996	-	7,814,219
Childrens Services	700,341	-	-	700,341	-	-	700,341
NRH Rent Supplements	420,425	(15,000)	-	405,425	(15,000)	-	390,425
Police Contingency	486,029	23,500	-	509,529	-	-	509,529
Police Services Board Contingency	60,154	-	-	60,154	-	-	60,154
Smart Growth	1,684,554	(38,005)	-	1,646,549	(38,910)	-	1,607,639
Fire Co-ordinator	102,162	6,822	-	108,984	6,830	(28,000)	87,814
POA Facility Renewal	2,212,565	500,000	-	2,712,565	56,195	-	2,768,760
Police Capital Levy	1,186,930	1,076,500	(944,000)	1,319,430	-	(150,000)	1,169,430
General Capital Levy	5,825,007	9,326,162	(7,921,000)	7,230,169	11,100,463	(4,138,530)	14,192,102
Public Health Vehicles & Equipment	366,040	-	-	366,040	-	-	366,040
Specialized Transit Equipment	286,195	144,000	-	430,195	144,000	-	574,195
Total Department/Program Specific Reserves	**45,099,032**	**14,397,152**	**(15,867,546)**	**43,628,638**	**12,989,820**	**(4,512,530)**	**52,105,928**

* Capital commitments represent previously approved capital budget items that have not yet been initiated.

Note: Reserve balances above do not include any transfers that may occur as a result of 2013 surplus/deficit identified throughout this booklet.

Reserve Summary (cont'd)

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Jun)	Year to Date Capital Transfers	Balances at June 30, 2013	Net Transfers Forecast from/(to) Operating (Jul-Dec)	Capital Commitments *	Balance Available at December 31, 2013
Police Accumulated Sick Leave	4,276,341	(575,000)	-	3,701,341	-	-	3,701,341
Future Benefit Costs	9,147,694	-	-	9,147,694	-	-	9,147,694
WSIB	14,087,980	-	-	14,087,980	-	-	14,087,980
Accumulated Sick Leave	2,759,434	(250,000)	-	2,509,434	-	-	2,509,434
NRH Employee future benefits	803,974	-	-	803,974	-	-	803,974
Police Future Benefit Cost	2,028,070	912,332	-	2,940,402	-	-	2,940,402
Police WSIB	2,444,590	225,000	-	2,669,590	-	-	2,669,590
Sub-total Employee Benefit Reserves**	35,548,082	312,332	-	35,860,414	-	-	35,860,414
Investment Income Stabilization	1,561,294	-	-	1,561,294	(400,000)	-	1,161,294
Tax Write off Stabilization	5,000,000	-	-	5,000,000		-	5,000,000
Self Insurance	2,496,184	922,319	-	3,420,503	(1,017,319)	-	2,403,184
Contingency	8,837,428	(196,700)	-	8,640,728	(286,312)	-	8,354,416
Improvement Initiatives	633,705	(29,996)	-	603,709	-	-	603,709
Taxpayer Relief	3,449,900	(1,725,000)	-	1,724,900	-	-	1,724,900
Total Corporate Stabilization Reserves	**57,528,594**	**(717,045)**	**-**	**56,811,548**	**(1,703,631)**	**-**	**55,107,917**

* Capital commitments represent previously approved capital budget items that have not yet been initiated.

** An actuarial evaluation completed in October 2012 has forecasted employee future benefit liabilities (including vacation and lieu liabilities) to December 31, 2013 of $91,396,267 (Reserves = $35,860,414).

Note: Reserve balances above do not include any transfers that may occur as a result of 2013 surplus/deficit identified throughout this booklet.

Reserve Summary (cont'd)

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Jun)	Year to Date Capital Transfers	Balances at June 30, 2013	Net Transfers Forecast from/(to) Operating (Jul-Dec)	Capital Commitments *	Balance Available at December 31, 2013
Health Unit Wallington	44,778			44,778	-	-	44,778
Total Regional Donation Reserves	**44,778**	-	-	**44,778**	-	-	**44,778**
FCM Reserve	350,000			350,000	-	-	350,000
Circle Route Initiatives	1,482,681	-	-	1,482,681	-	-	1,482,681
Police Ontario Police Video Training Alliance	31,250	-	-	31,250	-	-	31,250
Encumbrance	2,915,852	(2,803,539)	-	112,313	(112,313)	-	-
Hospital Contribution	(14,076,200)	304,083	-	(13,772,117)	-	-	(13,772,117)
Land Ambulance Severance	4,681,333	-	-	4,681,333	-	-	4,681,333
Total Regional Commitments Reserves	**(4,615,084)**	**(2,499,456)**	-	**(7,114,540)**	**(112,313)**	-	**(7,226,853)**
Sewage Operations	56,488,237	9,916,406	(24,130,831)	42,273,812	10,249,589	(4,720,000)	47,803,401
Water Operations	73,250,219	9,488,002	(14,246,316)	68,491,905	9,579,617	(500,000)	77,571,522
Waste Management	15,295,994	257,093	(2,077,000)	13,476,087	333,748	(1,105,000)	12,704,835
Total Rate Supported Reserves	**145,034,449**	**19,661,501**	**(40,454,147)**	**124,241,804**	**20,162,954**	**(6,325,000)**	**138,079,758**
	-			-			-
Total (Excluding Deferred Revenues)	**$ 243,091,768**	**$ 30,842,152**	**$ (56,321,693)**	**$ 217,812,227**	**$ 31,336,830**	**$ (10,837,630)**	**$ 238,111,528**

* Capital commitments represent previously approved capital budget items that have not yet been initiated.

Note: Reserve balances above do not include any transfers that may occur as a result of 2013 surplus/deficit identified throughout this booklet.

Deferred Revenues (Development Charges & Gas Tax Reserve Funds)

Description	Balances at December 31, 2012	Year to Date Net Transfers from/(to) Operating (Jan-Jun)	Year to Date Capital Transfers	Balances at June 30, 2013	Net Transfers Forecast from/(to) Operating (Jul-Dec)	Capital Commitments *	Forecast Balance at December 31, 2013
Development Charges-General Government	$ 421,775	$ 74,094	-	$ 495,869	$ 20,016	-	$ 515,885
Development Charges-Police Services	130,431	319,556	-	449,987	131,052	-	581,039
Development Charges-Roads	8,931,300	6,292,665	(11)	15,223,954	2,761,338	(15,301,456)	2,683,835
Development Charges-Sewer	10,313,642	3,802,434	-	14,116,077	1,703,723	(8,948,663)	6,871,136
Development Charges-Water	11,812,061	1,188,210	-	13,000,271	611,232	(1,204,591)	12,406,912
Development Charges-Emergency Medical	143,765	51,836	-	195,601	39,539	-	235,141
Federal Gas Tax	11,162,071	(6,120)	(3,846,561)	7,309,390	13,176,666	(19,304,853)	1,181,203
Total	**$ 42,915,045**	**$ 11,722,675**	**$ (3,846,572)**	**$ 50,791,148**	**$ 18,443,567**	**$ (44,759,564)**	**$ 24,475,151**

* The capital commitments included represent all approved capital project expenditures budgeted to be funded by development charges and/or federal gas tax. Each quarter and/or yearend a review of the status of the respective capital projects is completed and revenue earned is allocated accordingly.

Development Charge Revenues

	2012 Actuals		2013 Jan - June	
Gross Development Charge Revenues	22,864,242		15,303,973	
Less: Discretionary exemptions (Forgone Revenue)	(11,032,574)	48.3%	(3,559,757)	23.3%
Net Development Charges Revenues *	11,831,668	51.7%	11,744,216	76.7%

* Development charge revenues are deposited to the reserve funds above.

Operating Reserve Transfer Reconciliation

All transfers to and from reserves and reserve funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a reserve fund from an outside source (i.e development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Council approved net operating transfers to reserves		**$ 65,757,622**	
Less: Deferred revenue type reserve transfers		(638,588)	
Total planned net operating transfers to reserves		**65,119,034**	
Additional operating reserve transfers to/(from) reserves:			
Senior Capital Reserve	$ 210,669		Per diem funding increase related to Deer Park Villa construction
Senior Capital Reserve	15,405		General capital levy - Retroactive funding for construction costs and beds - Deerpark Villa
Senior Capital Reserve	(1,810)		Home funding based on actuals provided by ministry - Amount represents difference between initial budget and funding actually received
Encumbrances Reserve	(2,915,852)		2012 Encumbrances established in accordance with Council Report DF86-179 (CSD 23-2013)
Improvement Initiatives Reserve	(434,996)		Allocation of funding source as directed by Regional Council
Contigency Reserve	(633,012)	(3,759,596)	Industrial development charge grants (By-law 09-2013) - RDCPTF 14-2012
Forecasted operating transfers to/(from) reserves (to be approved in the year-end transfer report):			
Police Vehicle and Equipment Replacement Reserve	(300,000)		Initiative to offset forecasted deficit - July 25, 2013 Niagara Police Services Board Meeting (Board Report Number 203-2013)
General Capital Levy Reserve	(11,935)		Proceeds on surplus properties goes to general capital levy reserve. Adjustment to match forecasted proceeds
POA Facility Reserve	(443,805)		A shortfall of revenue available for the POA capital reserve fund is due to a significant decrease in revenue received year to date
General Capital Levy Reserve	400,000		Return of anticipated unused funding for grant program for LAMs (fully funded from reserve in 2013 Budget)
Social Assistance Reserve	1,175,284	819,544	Reduction in the draws from reserves originally expected in the budget due to lower levels of expected caseloads for Homelessness/SAEO
Forecasted net operating transfers to reserves		**$ 62,178,982**	
Year to date net operating reserve transfers from page 38		30,842,152	
Net operating reserve transfers forecast from page 38		31,336,830	
		$ 62,178,982	

Capital Reserve Transfer Reconciliation

All transfers to and from reserves and reserve funds are identified in an approved annual budget (operating or capital) unless they are inflows received in a reserve fund from an outside source (i.e development charges, gas tax receipts). A new requirement in the reserve and reserve funds policy requires a report outlining any year to date or forecasted inflows and outflows that were not included in the Council approved annual budget. Below is a summary of transfers to and from reserve and reserve funds not approved in the initial annual budget.

Uninitiated 2012 Capital Budget Items (Capital Commitments) at Dec. 31, 2012		**$ 2,730,000 ***
2013 Council Approved Capital Budget	$ 96,102,236	
Less: Deferred Revenues type Reserve Fund Transfers	(25,284,000)	70,818,236
Total Planned Capital Reserve Transfers		73,548,236
Unused Capital Reserve Funding Transferred back to Reserve per CSD 46-2013:		
Emergency Response Team	(200,000)	
General Capital Levy - Public Health	(200,000)	
General Capital Levy - Emergency Capital Levy	(1,000,000)	
Police Equipment Replacement	(237,136)	
NRH Owned Units	(1,025)	
Sewage Operations Capital Works	(979,168)	
Water Operations Capital Works	(3,895,684)	(6,513,013)
Capital Project Additions:		
Fire Co-ordinator Personnel Accountability Equipment (CSD 86-2013)	28,000	
Ambulance Communication First Watch and Tritech Software Licenses (CSD 82-2013)	96,000	124,000
Total Forecasted Capital Reserve Transfers		**$ 67,159,223**
Year to Date Capital Transfers (excluding deferred revenues) from Page 38		56,321,693
Capital Commitments (excluding deferred revenues) from Page 38		10,837,530
		$ 67,159,223

***Opening balance of 2012 year end Capital Commitments has been revised from the December 31, 2012 year-end financial update.**

Capital Summary

The Corporate Services department develops the Capital Affordability Strategy, the Capital Financing Strategy and Capital Budget guidelines in co-ordination with department and board input and in alignment with Council objectives and corporate policies. The Corporate Services department is responsible for the following:

- preparing the consolidated capital budget and forecast based on the requests of departments and boards
- co-ordinating capital initiations, financing, close out approvals and reporting
- supporting tangible capital asset accounting in accordance with the Capital Asset Management Policy
- reporting on the consolidated activity of the capital program

The capital budget represents priority projects as determined by the departments and boards and approved by Council. Following capital budget approval, projects get initiated based on departmental requirements and timing to complete projects. Project managers within the departments and boards administer the projects and maintain the related tangible capital asset information. Project managers are accountable for monitoring the capital projects within the capital program and taking corrective action, when necessary, including both reporting on significant variances as well as taking part in the capital close out process.

Capital Project Summary

Illustrated below is the total capital budget currently managed by the Niagara Region of $901.2 million, representing 802 projects, total capital spending to date of $401.7 million and budget remaining of $499.5 million. This chart represents, in aggregate, all currently active and uninitiated projects managed by the Niagara Region.

Capital project detail for 70 projects with remaining budgets greater than $1M is discussed on subsequent pages. There are 732 various department projects with remaining budgets less than $1 million. Spending on these projects to date represents 69.3 per cent of the capital budget on these projects.

Departments and Boards	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows	
						2013	Beyond 2013
Projects with remaining budgets >$1M							
Corporate Services	23,840,000	0	23,840,000	181,062	23,658,938	2,198,683	21,460,255
Niagara Regional Housing	13,405,975	0	13,405,975	3,587,968	9,818,007	9,629,225	188,782
Niagara Regional Police Services Board	104,226,877	0	104,226,877	7,999,213	96,227,664	26,196,673	70,030,991
Public Health	3,651,979	0	3,651,979	549,515	3,102,464	1,690,314	1,412,150
Public Works - Levy	149,426,328	240,000	149,666,328	25,245,594	124,420,734	28,392,270	97,628,464
Waste Management	3,745,000	360,000	4,105,000	964,691	3,140,309	1,585,000	1,555,309
Wastewater	75,856,086	0	75,856,086	20,940,894	54,915,192	14,049,894	40,865,298
Water Works	56,675,487	787,600	57,463,087	16,977,437	40,485,650	23,217,685	17,267,965
	430,827,732	1,387,600	432,215,332	76,446,374	355,768,958	106,959,744	250,409,214
Projects with remaining budgets <$1M	455,925,129	13,090,252	469,015,381	325,223,975	143,791,406	20,380,058	123,411,348
Grand Total	**886,752,861**	**14,477,852**	**901,230,713**	**401,670,349**	**499,560,364**	**127,339,802**	**373,820,562**

Capital Project Detail

In addition to the Capital Project Summary, a detailed analysis of capital projects with budgets remaining greater than $1 million is presented below. There are a total of 70 projects totaling $430.8 million of approved capital budget. Project spending to date on these projects amounts to $76.4 million, representing 17.7 per cent of the capital budget on these projects.

Estimated year of completion has been provided by Project Managers within their respective departments. It should be noted that the Niagara Regional Police Services Board (NRPS) Long Term Accommodations (LTA) project is included in this analysis. Excluding the NRPS LTA project, spending for those projects with budgets remaining greater than $1 million as a percentage of their overall budget is 19.8 per cent.

Departments and Boards Project Description	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows 2013	Forecasted Cashflows Beyond 2013	Est. Year of Completion
Corporate Services								
Construction EMS Bldgs	2,500,000	0	2,500,000	17,225	2,482,775	250,000	2,232,775	2014/2015
Council Chambers Renovations	2,000,000	0	2,000,000	158,028	1,841,972	1,700,000	141,972	2014
Financial Management System (ERP)	12,940,000	0	12,940,000	5,112	12,934,888	196,183	12,738,705	2016
IT Server Building	3,400,000	0	3,400,000	697	3,399,303	2,500	3,396,803	2015
Public Health Facilities	3,000,000	0	3,000,000	0	3,000,000	50,000	2,950,000	2015
	23,840,000	**0**	**23,840,000**	**181,062**	**23,658,938**	**2,198,683**	**21,460,255**	
Niagara Regional Housing								
Building Capital	1,439,733	0	1,439,733	171,594	1,268,139	1,268,139	0	2014
Fitch Street	9,982,623	0	9,982,623	3,408,794	6,575,829	6,575,829	0	2013
Units Capital	1,983,619	0	1,983,619	9,580	1,974,039	1,785,257	188,782	2014
	13,405,975	**0**	**13,405,975**	**3,587,968**	**9,818,007**	**9,629,225**	**188,782**	
Niagara Regional Police Services Board								
Communications Unit Back-up	2,250,000	0	2,250,000	0	2,250,000	750,000	1,500,000	2015
Long-term Accomodations - HQ/Admin	83,076,000	0	83,076,000	7,446,362	75,629,638	18,772,660	56,856,978	2015
NRPS - IT Continuity Plan	1,500,000	0	1,500,000	61,056	1,438,944	719,472	719,472	2014
Radio/Data System Infrastructure and Equipment	2,400,877	0	2,400,877	491,795	1,909,082	954,541	954,541	2014
Voice Radio System	15,000,000	0	15,000,000	0	15,000,000	5,000,000	10,000,000	2015
	104,226,877	**0**	**104,226,877**	**7,999,213**	**96,227,664**	**26,196,673**	**70,030,991**	
Public Health								
2012 - Ambulance & Equipment Replacement	1,565,000	0	1,565,000	274,686	1,290,314	1,290,314	0	2013
Ambulance & Equipment Replacement	2,086,979	0	2,086,979	274,829	1,812,150	400,000	1,412,150	2014
	3,651,979	**0**	**3,651,979**	**549,515**	**3,102,464**	**1,690,314**	**1,412,150**	

Capital Project Detail (cont'd)

Departments and Boards Project Description	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows 2013	Forecasted Cashflows Beyond 2013	Est. Year of Completion
Public Works - Levy								
Construct New Hwy 406 Interchange at First & Third, SC	4,700,000	10,000	4,710,000	618,988	4,091,012	1,000,000	3,091,012	2018
Embankment Stabilization RR 14 (Canboro Rd) at Warner	2,400,000	0	2,400,000	450,676	1,949,324	250,000	1,699,324	2015
Intersection RR 81 (St. Paul St) at Vansickle Rd / First St	2,200,000	0	2,200,000	166,440	2,033,560	1,000,000	1,033,560	2016
Lakeshore Rd, from Geneva St to Bradmon Dr	6,774,718	0	6,774,718	2,627,529	4,147,189	4,000,000	147,189	2013
Niagara St, Scott St to Vine St	3,475,000	0	3,475,000	212,841	3,262,159	2,800,000	462,159	2014
Niagara Stone Rd at Concession 6	2,400,000	0	2,400,000	247,300	2,152,700	500,000	1,652,700	2014
Old Hwy 20, Pelham St to Haist St	1,280,000	0	1,280,000	14,234	1,245,766	1,200,000	45,766	2014
Rds Rehab - Roads Resurfacing Program	5,650,000	0	5,650,000	913,173	4,736,827	3,200,000	1,536,827	2014
Rds Rehab-Canborough Rd from Townline to RR 20	5,400,000	0	5,400,000	0	5,400,000	1,000,000	4,400,000	2014
Reconst RR 102 (Stanley Ave), Whirlpool Rd to Valley Way	3,900,000	0	3,900,000	0	3,900,000	1,422,000	2,478,000	2015
Reconst RR 77 (Welland Ave), Niagara St to QEW	4,793,382	0	4,793,382	3,694,112	1,099,270	99,270	1,000,000	2013
Reconstruction RR 102 (Stanley Ave), Whirlpool Rd to Hwy 405	8,517,723	0	8,517,723	3,386,352	5,131,371	1,871,000	3,260,371	2015
Reconstruction RR 49 (McLeod Rd), Montrose Rd to Stanley Ave, NF	9,525,883	0	9,525,883	38,159	9,487,724	1,000,000	8,487,724	2015
Reconstruction RR 57 (Thorold Stone Rd) ext east of Stanley Ave	6,500,000	0	6,500,000	530,140	5,969,860	250,000	5,719,860	2015
Reconstruction RR 81 (St Paul St), Nineth St to Seventh St	6,506,991	0	6,506,991	5,202,783	1,304,208	2,000,000	904,208 *	2015
Reconstruction RR 89 (Glendale Ave), CNR to Canal Pkwy, Ph 2, SC	6,334,000	0	6,334,000	3,765,611	2,568,389	2,000,000	568,389	2014
Rehab RR 5(Killaly St), King St to Steele St	5,464,000	0	5,464,000	155,595	5,308,405	600,000	4,508,405	2014
Replacement of Burgoyne Bridge	63,624,631	230,000	63,854,631	3,221,661	60,632,970	4,000,000	56,632,970	2017
	149,426,329	**240,000**	**149,666,329**	**25,245,594**	**124,420,734**	**28,392,270**	**97,628,464**	
Waste Management								
2011 Green Retrofit Project, Recycling Centre	1,455,000	0	1,455,000	0	1,455,000	0	1,455,000	2015
Landfill Gas Coll System, Humberstone LF	2,290,000	360,000	2,650,000	964,691	1,685,309	1,585,000	100,309	2013
	3,745,000	**360,000**	**4,105,000**	**964,691**	**3,140,309**	**1,585,000**	**1,555,309**	
Wastewater								
Anger Ave WWTP Upgrade Ph 2	1,500,000	0	1,500,000	5,938	1,494,062	1,494,062	0	2013
Anger Ave WWTP Upgrades	10,000,000	0	10,000,000	8,119,107	1,880,893	0	1,880,893	2014
Cross Country Sewer Project	2,300,586	0	2,300,586	1,300,555	1,000,031	700,031	300,000	2013
Crystal Beach WWTP Upgrade Ph 2	8,000,000	0	8,000,000	4,284,885	3,715,115	1,215,115	2,500,000	2014
Dominion Road Pump Station Upgrade	7,670,000	0	7,670,000	4,106,006	3,563,994	2,500,000	1,063,994	2014
Kalar Rd Pump Station Upgrade	2,500,000	0	2,500,000	1,467	2,498,533	1,500,000	998,533	2014
Misc Prgm-Biogas Utilization	1,200,000	0	1,200,000	0	1,200,000	0	1,200,000	2015
Murray Street Sewer Rehab	2,230,500	0	2,230,500	1,145,187	1,085,313	1,085,313	0	2013
NOTL WWTP Plant Design	2,000,000	0	2,000,000	41,921	1,958,079	600,000	1,358,079	2014

* Per PW 52-2013 Planned usage of Capital Variance Reserve

Capital Project Detail (cont'd)

Departments and Boards Project Description	Total Budget	Capital Variance Reserves	Total Budget (Includes Capital Variance Reserves)	Project-to-date Actuals	Budget Remaining	Forecasted Cashflows 2013	Forecasted Cashflows Beyond 2013	Est. Year of Completion
Wastewater continued								
Port Weller WWTP - bar screen and alum tank upgrade	2,725,000	0	2,725,000	458,371	2,266,629	500,000	1,766,629	2015
PS Capacity Expansion Prg-Smithville PS capacity upgrade Ph 1	10,000,000	0	10,000,000	0	10,000,000	1,000,000	9,000,000	2015
PS Improvement Program - Ontario St SPS	1,500,000	0	1,500,000	0	1,500,000	0	1,500,000	2015
PS Improvement Program - Roberts Rd SPS	4,000,000	0	4,000,000	0	4,000,000	1,000,000	3,000,000	2015
PS Improvement Program - Victoria Rd	2,000,000	0	2,000,000	0	2,000,000	0	2,000,000	2015
Sewer & Forcemain Prg-Park Rd Sewer Repl	5,000,000	0	5,000,000	0	5,000,000	500,000	4,500,000	2015
Sewer Relining Program	3,410,000	0	3,410,000	0	3,410,000	400,000	3,010,000	2015
Welland HRT Flow Monitoring	2,120,000	0	2,120,000	514,627	1,605,373	305,373	1,300,000	2013
Welland WWTP Upgrade Program	2,500,000	0	2,500,000	960,939	1,539,061	500,000	1,039,061	2014
Wet Weather Flow/CSO Control Program	3,700,000	0	3,700,000	0	3,700,000	250,000	3,450,000	2016
WWTP Upgrade Prg-Port Dalhousie WWTP Upgrade-Laneway Upgrades	1,500,000	0	1,500,000	1,891	1,498,109	500,000	998,109	2014
	75,856,006	**0**	**75,856,006**	**20,940,894**	**54,915,192**	**14,049,894**	**40,865,298**	
Water Works								
Decew WTP Upgrade based on age/cond	10,000,000	0	10,000,000	1,460,399	8,539,601	4,000,000	4,539,601	2015
Edgedale / Eastchester Watermain Replacement	12,351,104	787,600	13,138,704	4,003,266	9,135,438	6,000,000	3,135,438	2014
Grimsby WTP Brick Replacement	5,000,000	0	5,000,000	91,284	4,908,716	1,000,000	3,908,716	2015
Niagara Falls WTP Structure Upgrades - Settling Tanks	7,000,000	0	7,000,000	3,131,445	3,868,555	3,000,000	868,555	2014
Painting Bemis Park Elevated Tank	2,000,000	0	2,000,000	0	2,000,000	2,000,000	0	2013
Repair & Painting Lundy's Lane Elevated Tank	1,200,000	0	1,200,000	5,597	1,194,403	1,194,403	0	2013
Trunk Watermains on Ontario St / Welland Ave	8,618,480	0	8,618,480	7,389,503	1,228,977	1,228,977	0	2013
Watermain Replacement Farr Ave / Highland Ave (design)	2,400,000	0	2,400,000	189,688	2,210,312	892,000	1,318,312	2014
Welland WTP Upgrade (Revised)	2,105,903	0	2,105,903	608,560	1,497,343	500,000	997,343	2014
WM Prgm-Watermain replacement on Collier Rd	4,500,000	0	4,500,000	0	4,500,000	2,000,000	2,500,000	2014
WTP Upgrade Prg-Grimsby WTP replace highlift pumps	1,500,000	0	1,500,000	97,695	1,402,305	1,402,305	0	2013
	56,675,487	**787,600**	**57,463,087**	**16,977,437**	**40,485,650**	**23,217,685**	**17,267,965**	
Projects with remaining budgets >$1M Total	**430,827,732**	**1,387,600**	**432,215,332**	**76,446,374**	**355,768,958**	**106,959,744**	**248,809,214**	

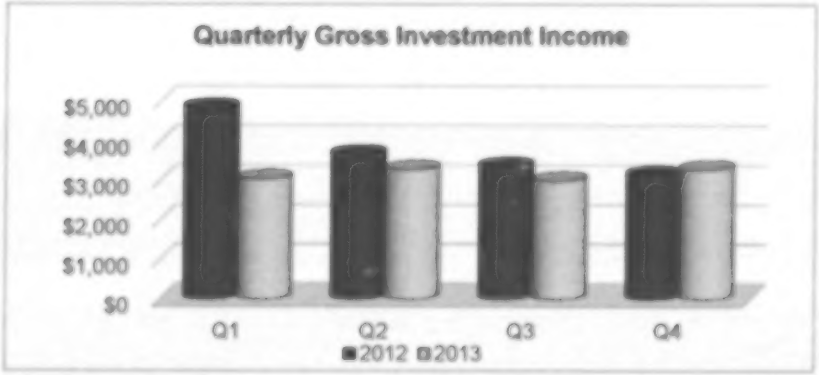
Capital Project Negative Budget Variances

The Capital Asset Management Policy requires monitoring of capital projects to identify projects for which a funding deficit has occurred and provides guidelines for addressing those deficits. Criteria used to identify significant variances are those greater than $5,000 and five per cent over total budget at a parent project level. The policy also requires that projects be put on hold where they have been reported two times consecutively, until such time as a funding source has been identified.

Project Description	Total Budget	Project-to-Date Actuals	Variance $	Variance %
General Government				
ZGG 1002 - Niagara District Airport	$ 11,557,999	$ 12,005,294	$ (447,295)	3.87%
Explanation: The Niagara District Airport project has completed construction however the project remains open due to deficiencies. The majority of these deficiencies have been rectified however there remains a performance issue related to the asphaltic concrete pavement on the apron. Additional costs are possible yet unknown at this time as they are dependent on the outcome of the deficiencies and potential legal action.				
Transportation				
ZRC 0941 - Reconstruction RR 89 (Glendale Ave.) Interchange at QEW	$ 300,000	$ 315,543	$ (15,543)	5.18%
Explanation: Additional advertising costs were incurred for this EA process which resulted in an unfavourable variance.				
Total	**$ 11,857,999**	**$ 12,320,837**	**$ (462,838)**	

Investment Report (in 000's)

Institution	Aggregate Amount of Investment by Institution	Percentage Holdings by Security excluding Cash Balance
Investments		
Region of Niagara	31,722	7.9%
Federal	14,935	3.7%
Provincial	118,510	29.5%
Municipal	40,706	10.1%
Corporate	195,408	48.7%
TOTAL excluding Cash	401,281	100.0%
Cash (General Checking)	35,402	
Cash (Savings)	75,606	
Cash (Sinking Fund)	97	
TOTAL including Cash	512,385	



Funds	Book Value	Weight Q2
Cash	111,008	21.7%
Cash Equivalents < 1 Year	67,086	13.1%
2 Year	87,803	17.1%
3 Year	86,348	16.9%
4 Year	51,671	10.1%
5+ Year	103,792	20.3%
Sinking Fund (Incl. Cash)	4,677	0.9%
Total Portfolio	512,385	100%

	Q1	Q2	Q3	Q4	Total
2012 Actuals (Gross)	4,846	3,672	3,369	3,144	15,031
2013 Budget (Gross)	2,862	2,969	3,030	2,971	11,832
2013 Budget (Net)	2,862	2,969	3,030	2,371	11,232
2013 Actuals (Gross)	3,051	3,290	3,007	3,296	12,644
2013 Actuals (Net)	3,051	3,290	3,007	2,696	12,044

Note: Net amounts are after interest allocation to reserves and recommended transfer to/from investment income stabilization reserve.

Investment Update

Investment earnings on the portfolio for the second quarter of 2013 amounted to $3,289,588. Segmented earnings were $2,747,269 on investments and $542,318 on the cash balance. The second quarter annualized yield on the investment and cash portfolio was 2.62 per cent vs. 2.51 per cent in the prior quarter. At June 30, 2013, the portfolio had unrealized market gains (market value vs. book value) of $5,766,305. Forecasted gross investment income for 2013 is favourable when compared to the budget by $812,239.

Budget Adjustment Summary

Throughout the year, budget adjustments are made to reflect revised external funding for programs and to reallocate costs between departments or accounts due to operational changes. The primary drivers of the external funding adjustments are Ministry funded programs as they set their budgets following Regional budget approval. However, the Ministries want to see these dollars reflected in the Region's budget. For this reason adjusting the gross budget throughout the year has been a long standing practice at the Niagara Region. Adjusting the gross budget has no impact on the levy as both external revenue and expenses are increased equally to reflect those program requirements. The net budget, impacting levy and rate, is not adjusted. Below is a summary of gross budget adjustments that have been processed to date. Reallocations of costs within departments or among categories are not summarized below. The adjusted budget is presented throughout this reporting book.

Original Budget Revenue & Expenditures		**$ 803,637,573**	
Budget Adjustments (Adjustments to the original gross revenue & expenditure budget).			
Community Services	223,137		Budget compliance - A matter of labour relations operating impacts to Niagara Region's Long Term Care (confidential report COM 42-2012)
Public Health	39,325		Funding for Health Communities Fund Partnership Steam (Apr 1, 2012 - Mar 31, 2013) fiscal year announced December 21, 2012
Public Health	64,750		Funding workplace-based cessation demonstration project (2012-2013) and Smoke-Free Ontario Strategy (Aug 1, 2012 - Mar 31, 2014) announced December 24, 2012
Community Services	210,669		Per diem funding increase related to Deer Park Villa construction
Community Services	186,452		Funding for Deer Park Suites enhanced client services and South Niagara Health and Wellness Centre enhanced client services (COM 43-2012)
Public Health	37,136		Additional subsidy received for pay for performance adjustment
Public Health	241,177		Funding for Panorama Project (Apr 1, 2012 - Mar 31, 2013 as per Amending Agreement No. 4)
Community Services	401,438		Funding for Convalescent Care Program (COM 08-2013)
Public Health	(40,000)		Refinement of subsidy expectation for Breastfeeding Social Determinants of Health program
Corporate Services	434,996	1,799,080	Allocation of funding source as directed by Regional Council
June 30, 2013 Adjusted Budget		**$ 805,436,653**	

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarizes the Niagara Region's financial operating activity as of June 30, 2013 and forecasts expected operating results to the end of 2013. These statements have been compiled by Corporate Services and the departments have validated the information and provided forecasts and commentary.

These statements present the net funding position of the Niagara Region's operating budget and do not include Private Sector Accounting (PSA) adjustments for amortization, employee future benefits, and landfill liability. Approved and/or expected unbudgeted transfers to/from reserves can offset other variances and affect net surplus/deficit reported by departments. These statements do not include capital activity.

Certain assumptions and estimates are required to forecast results. The assumptions and estimates made have been done so with information available to management at the time of writing this quarterly financial update. Readers of these reports are cautioned that actual operating results may vary from the forecast information presented for 2013.

To better help users understand what is included in the report, below are some definitions.

Report Columns

Annual Budget - represents the annual budget approved by council in December 2012 with budget adjustments as explained on page 47.

Year To Date Budget - represents the portion of the annual budget expected to be realized from January through June.

Year To Date Actual - represents actual costs incurred and revenues earned from January to June. Departments have accrued for goods or services received but not yet paid for and revenues earned but not yet received.

Year To Date Variance - represents the difference between the year to date budget and the year to date actual. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Year To Go Forecast - represents the expected expenditures and revenues for the remainder of the year (July to December). Departments determined these forecasts based on their knowledge of current operations. As noted, actual operating results may vary from the forecasted information presented.

Annual Forecast - represents the year to date actual plus the year to go forecast. It is intended to project expected organization results at the end of the current year based on information available at June 30, 2013. As noted, actual operating results may vary from the forecasted information presented.

Annual Budget vs Forecast Variance - represents the difference between the annual budget and the annual forecast. An unfavourable variance (i.e. actual expenditures are greater than budgeted or actual revenues are less than budgeted) is shown as a negative and a favourable variance (i.e. actual expenditures are less than budgeted or actual revenues are greater than budgeted) is shown as a positive.

Explanation of Statement of Operations (continued)

Report Rows

EXPENDITURES

Personnel Costs - includes all salaries, benefits and personnel related allowances (meals, clothing, training, etc).

Administrative Expenses - includes some allowances (car, mileage, etc.), memberships, training and related expenses and other miscellaneous expenses.

Materials, Supplies and Utilities - includes costs for; chemical, medical and office supplies, small equipment, waste management supplies, and all utilities.

Repairs & Maintenance - includes all costs to repair or maintain equipment, property and vehicles.

Purchased Services and Other Operating Expenses - includes costs for audit, advertising, consulting, insurance, leases, contracted services, Provincial Offenses Act (POA) expenses and other expenses.

Social Assistance - costs include all Ontario Works allowances and benefits program costs.

Financial Expenditures - includes all interest charges, principal debt payments, tax write-offs, and bad debt expense. The debt related charges included in this section are allocated to departments though the chargeback/recovery process.

Capital Equipment and Renovation - costs include all capital expenditures processed through the operating statement.

Niagara Regional Housing (NRH) Provider Subsidy and Supplements - includes all rent supplements and the use of all housing related subsidies.

Transfer to Reserves - includes all transfers of funds in the current year from the operating program to a reserve. At a corporate level the net of the transfers to reserves and the transfers from reserves represents our total contribution to reserves or draw on reserves in the year.

Allocations Between Departments – includes all direct rate-based costs that are allocated to the beneficial recipient by the department providing the service or goods and calculated based on a pre-established rate. The pre-established rate is intended to recover the costs incurred by the service provider (time and material).

Allocations Within Departments – includes all costs for shared services that are allocated between divisions internal to their department.

Allocations to Capital Program – includes all eligible costs recorded and managed in the operating program allocated to the capital program.

Explanation of Statement of Operations (continued)

Indirect Allocation – includes all costs that are not directly traceable to a specific program or department (i.e. HR, finance, legal, IT, properties, print shop, and communications). Indirect costs are common resources shared by several programs and services that require an allocation to determine full cost of the program or service.

Debt Allocation – includes allocations of all debt charges incurred to programs and services based on projects the debt is issued to fund.

REVENUES

Taxation – Levy - includes all revenues received from area municipalities including payment-in-lieu (PIL) and supplemental. It also includes power dams revenue.

Taxation – Rate - includes all funds received to support waste management, water and wastewater operations.

Ontario/Canada Grants - includes all funds received from the provincial and federal governments.

Fees and Services Charges - includes shared services revenue (without shared services agreement), licenses, permits and approvals, and fees and service charges on the User Fee By-Law such as child care fees, health fees, police fees (i.e. accident reports, etc), seniors homes fees (i.e. long term care accommodations fees), road fees and other miscellaneous fees (i.e. zoning).

Other Revenue - includes shared services revenue (with shared services agreement), investment income, POA revenue, recycling revenue, NRH revenue and other revenue.

Transfers from Reserves - includes all transfers of funds in the current year to the operating program from a reserve. At a corporate level the net of the transfers from reserves and the transfers to reserves represents our total contribution to reserves or draw on reserves in the year.

Quarterly Financial Update

Niagara Region

Niagara Region Printing Services – August 28, 2013